Foreign
Broadcast
Information
Service
50
ANNIVERSARY
1941 - 1991

Daily Report

East Europe

FBIS-EEU-91-236
Monday
9 December 1991

Daily Report
East Europe

FBIS-EEU-91-236 CONTENTS *9 December 1991*

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

ALBANIA

- Alia Speaks on Government Crisis, Urges Calm *[Tirana Radio]* 1
  - Bufi on Crisis, Resignation *[ATA]* 1
- Council of Ministers Holds Special Meeting *[ATA]* 1
- Alia, Party Representatives Begin Consultations *[Tirana Radio]* 2
  - Consultations Continue 8 Dec *[Tirana Radio]* 2
- Social Democrats Consider PD's Step 'Overhasty' *[Tirana Radio]* 2
- PSSh Urges Working Government Under Bufi *[Tirana Radio]* 3
- Republicans Call For 'Working Nonparty Government' *[Tirana Radio]* 3
  - Favor Government Not Under Bufi *[ATA]* 3
- Democratic Party's Ceka Meets With President 3
  - Opposes Berisha Policies *[Tirana Radio]* 3
  - Berisha Counters Ceka Accusations *[ATA]* 4
  - Ceka Seeks Berisha's Resignation *[Tirana Radio]* 5
- Democratic Party Assures People of Food Supply *[Tirana Radio]* 5
- Stores Looted in Lac; Order Forces Intervene *[Tirana Radio]* 5
- Ministry of Public Order on 'Criminal Acts' *[ATA]* 6
- Alia Issues Decree on Military Guards for Shops *[ATA]* 6
- Military Forces Permitted To Use Firearms in Lac *[Tirana Radio]* 6
- Efforts To Establish Order in Lac Continuing *[Tirana Radio]* 7
- Commentary on Government Record, Opposition Split *[Tirana Radio]* 7

BULGARIA

- Podkrepa Labor Confederation Continues Strike 9
  - Chairman Says Plant 'Facing Ruin' *[BTA]* 9
  - Other Strikes Break Out *[Sofia Radio]* 9
  - Committee Denies Threatening President *[Sofia Radio]* 9
- Dimitrov Asks Podkrepa Leaders To Halt Sit-In *[BTA]* 10
- Socialists Not To Support Zhelev for President *[BTA]* 10
- Assembly Debates Property Confiscation Bill *[BTA]* 10
- Minister Says Strict Monetary Policy To Continue *[BTA]* 11
- Deutschbank Gives Ultimatum to Government *[BTA]* 11

CZECHOSLOVAKIA

- Government Recognizes Ukraine Independence *[CSTK]* 12
  - Slovak Presidium Congratulations *[CSTK]* 12
- Dienstbier on Recognition of SFRY Republics *[CSTK]* 12
- Calfa Views Results of Pakistan, PRC Visits *[Prague TV]* 12
- Slovak Cabinet Rejects Dam Guarantees to Hungary *[CSTK]* 13
- Havel on Domestic, Ukraine, European Issues *[Prague Radio]* 14
- Cabinet Approves Federal, Republic Budgets *[CSTK]* 16
- SNR Rejects Slovak Government's Statement *[Prague Radio]* 17
- SNR Views Report on Breakup's Economic Impact *[MLADA FRONTA DNES 4 Dec]* 17
- Investment Slump in Czech Economy Reported *[CSTK]* 18
- Paper Suspended Over Editorial Controversy *[LIDOVE NOVINY 4 Dec]* 18

HUNGARY

- Antall, Jeszenszky Return From Moscow, Kiev Tour 19

    - Antall Notes Prospects for Ties *[Budapest TV]* ... 19
    - Reviews Policy Toward USSR *[Budapest Radio]* ... 19
    - Jeszenszky Comments on Talks *[Budapest Radio]* ... 19
    - MDF Hails 'Eastern' Policy Success *[MTI]* ... 20
- Jeszenszky Views SFRY, Ukraine Recognition *[Vienna DER STANDARD 6 Dec]* ... 20
- Spokesman on Plans To Brief Cheney on SFRY *[MTI]* ... 20
- Rockets Found in 'Medical' Shipment From Chile *[MTI]* ... 21
- Horn Discusses Resolution of Romanian Relations *[MAGYAR HIRLAP 6 Dec]* ... 21
- CSFR Charges of Stalling Bos Talks Denied *[MTI]* ... 21
- Martonyi Moved From Economy to Foreign Politics *[NEPSZABADSAG 4 Dec]* ... 22
- Somogyi Discusses Resignation, Ministry Changes *[Budapest Radio]* ... 23
- Smallholders Said Lacking Patience With Partners *[MTI]* ... 23
- Spokesman Gives Briefing on Inflation Figures *[MTI]* ... 24
- Problems Facing Agricultural Sector Viewed *[MAGYAR NEMZET 4 Dec]* ... 24

POLAND

- Olszewski Elected Prime Minister by Sejm Majority *[PAP]* ... 25
    - Addresses Sejm *[Warsaw Radio]* ... 25
    - Holds News Conference *[Warsaw Radio]* ... 26
    - Wants Image of Great 'Openness' *[Warsaw TV]* ... 28
- Cabinet Meets on 1991 Budget Law Amendments *[PAP]* ... 28
- Walesa Proposes New National Bank President *[PAP]* ... 28
- Kacynski Criticizes Walesa Meetings With Left *[Warsaw Radio]* ... 28
- Democratic Union's Political Difficulties Viewed *[ZYCIE WARSZAWY 28 Nov]* ... 29
- PAA Report Criticizes Nuclear Safety Measures *[PAP]* ... 30

ROMANIA

- Stolojan Discusses Croatia, Slovenia Recognition *[TANJUG]* ... 31
- Foreign Ministry Concerned Over Troops in Moldova *[ROMPRES]* ... 31
- Iliescu Calls For Constitution's Endorsement *[Bucharest Radio]* ... 31
- Leaders' Statements on Referendum Reported *[ROMPRES]* ... 32
- Finance Minister, Bank President Discuss Economy *[Budapest Radio]* ... 33
- Roman Rejects 'Third Way,' Profiles FSN *[AZI 4 Dec]* ... 34
- Former RCP Leaders Receive Prison Sentences *[ROMPRES]* ... 36

YUGOSLAVIA

International

- Separovic Receives Soviet, Hungarian Consuls *[Zagreb Radio]* ... 37
- Vance Visits, Holds Talks With Republican Leaders ... 37
    - Meets Izetbegovic, Others *[Belgrade Radio]* ... 37
    - Briefs Journalists on Meeting *[TANJUG]* ... 37
    - Meets With Party Representatives *[TANJUG]* ... 38
    - Assesses Talks With Milosevic *[TANJUG]* ... 38
    - Milosevic Evaluates Dialogue *[Belgrade TV]* ... 38
    - Continues Talks With Milosevic *[TANJUG]* ... 38
    - Discusses Independence With Gligorov *[TANJUG]* ... 38
    - No Agreement Reached on Troops *[TANJUG]* ... 39
- Tudjman 'Fully Satisfied' With German Recognition *[Zagreb TV]* ... 40
- Ministry Says Germans Suspend Traffic Agreements *[TANJUG]* ... 40
    - Government Criticizes Decision *[TANJUG]* ... 40
    - German Ambassador Received *[TANJUG]* ... 41
- Paper Claims Hungary Supplied Planes to Croatia *[Budapest Radio]* ... 41

Federal

- Secretariat Rejects 'Counterproductive' Sanctions *[TANJUG]* ... 41
- Kostic Warns of 'National-Chauvinist Ideology' *[TANJUG]* ... 41

Kostic Notes Prospects for Peacekeeping Forces *[TANJUG]* 42
Presidency To Invite Tudjman to Future Sessions *[TANJUG]* 42
Defense Spokesman: JNA Not Shelling Dubrovnik *[TANJUG]* 42
Official Interviewed on Energy, Industry Sector *[BORBA 28 Oct]* 43
Problems With Invalid Dinar Banknotes Cited *[POLITIKA 27 Oct]* 44

Slovenia

Ministry Approves Arbitration Commission Report *[Ljubljana Radio]* 45
Foreign Ministry Spokesman on Economic Situation *[NEPSZABADSAG 5 Dec]* 46

Croatia

Government, JNA Agree on Dubrovnik Cease-Fire *[Zagreb Radio]* 46
Negotiations Result in JNA Evacuation Agreement *[Zagreb Radio]* 46
  1,600 Captives To Be Exchanged *[Zagreb Radio]* 47
Krajina Government Examines Solutions to Crisis *[TANJUG]* 47
Krajina Assembly Approves Deployment of UN Troops *[TANJUG]* 47
Rudolf Cites Excerpts From Vice Admiral's Letter *[Zagreb Radio]* 47
Pavelic Says Conflicts in 59 Percent of Croatia *[TANJUG]* 48
Radio-TV Headquarters Attacked; No Escape Route *[Budapest Radio]* 48
Osijek Authorities To Sue Agencies for 'Lies' *[Zagreb Radio]* 48
'Tensions Rapidly Rising' in Neretva Valley *[Belgrade Radio]* 48
Democratic Party Withdraws From Government *[VJESNIK 26 Nov]* 49
Policemen Charged With Death of HSP Leader *[SLOBODNA DALMACIJA 23 Nov]* 49

Serbia

Deputy Minister Kosutic Says EC Not 'Impartial' *[TANJUG]* 50
Assembly Adopts Declaration on EC Sanctions *[Belgrade Radio]* 50
Defense Minister: Military Goals Achieved *[TANJUG]* 51
Army Refuses To Evacuate Barracks in Kamensko *[Belgrade Radio]* 51
Democratic Party Criticizes Milosevic, Army *[Belgrade Radio]* 51
Reaction on Announcement To Ban SDA in Sandzak *[BORBA 23 Nov]* 52
Kosovo Leader Proposes International Status *[BORBA 25 Nov]* 52

Bosnia-Hercegovina

Production of Chemical Weapons Near Mostar *[VJESNIK 26 Nov]* 55
Republic Nearing Economic Collapse *[EKONOMSKA POLITIKA 28 Oct]* 56

Montenegro

Impact of Economic Sanctions on Republic Viewed *[POBJEDA 18 Nov]* 58

Macedonia

Government Supports U.S. Statement on Borders *[TANJUG]* 60

Alia Speaks on Government Crisis, Urges Calm

AU0612200691 Tirana Radio Tirana Network in Albanian 1900 GMT 6 Dec 91

[Statement by President Ramiz Alia in Tirana on 6 December—recorded]

[Text] In order to study the situation created by the resignation of the Democratic Party's ministers from the government, I had contacts yesterday evening and this morning with representatives of the five political parties that took part in the creation of the National Stability Government. I consulted with them in order to reach a political settlement as soon as possible, proposing the conclusion of a new agreement.

Unfortunately, these consultations did not reach any common view on such a solution. Under these conditions, Prime Minister Ylli Bufi submitted the government's resignation.

I wish to emphasize that it was well-known when it was formed that the National Stability Government would meet with great difficulties. Nevertheless, it performed important and useful tasks for the people and Albania. I also consider it necessary to emphasize that its dissolution was not because of any incompetence. Bearing in mind the Law on the Main Constitutional Provisions, I will immediately consult with all the country's political parties to sound out their opinions on how to overcome the crisis. I assure you that I will complete this task as soon as possible, respecting legal procedures and regulations.

Meanwhile, I have asked Prime Minister Ylli Bufi and the government he heads to perform all their functions until a new cabinet is created, and they have agreed. Nobody should imagine that the country is without a government. Everybody must respect public order and the law. The organs of the state must perform their duties with all the responsibility made necessary by the critical moments we are experiencing. Let no state official avoid his duties, and let no irregularities be created, especially in supplies to the people. Let there be no alarm and insecurity that can only do harm. Otherwise, a wave of anarchy will erupt, and the consequences will be tragic.

I call on all citizens to remain calm and to respect the law. The new government will be created as soon as possible, with the aim of ensuring the continuity of democratic processes, the reform, and political and economic relations with foreign countries.

I place my hopes in the wisdom of the people and the determination of the state organs to perform their duties.

Bufi on Crisis, Resignation

LD0712112291 Tirana ATA in English 0912 GMT 7 Dec 91

["From the Statement of Premier Ylli Bufi Granted to TV on December 6, 1991"—ATA headline]

[Text] Tirana, December 7 (ATA)—The government crisis due to the withdrawal of the ministers of the Democratic Party from the stability government made it impossible for the government to further continue its activitiy. The consultations between the Council of Ministers and representatives of political parties, and the latter with the president of the republic, to avoid this crisis in this difficult and delicate period yielded no results. Under these circumstances, as the May 1991 political agreement was breached, I presented the resignation to the president of the republic, Ramiz Alia. He accepted my resignation, but according to the law and taking into consideration the current political, economic, and social situation, he asked from the government to perform its functions at the head of the state administration until the formation of the new government.

I am aware that the government crisis has aroused a great worry and uncertainty amongst people. I also know that the overview I presented on the economic state at the recent meeting of the government has aroused tension and somewhere even panic. Certainly the situation is difficult, but in no way hopeless and without [a] way out. If I said that we have, for instance, cereal reserves only for a week, this does not mean that we could not provide bread for the people. Wheat and other food articles continue to reach our country from the aids, and the immediate aim of the government is to ensure greater corn reserves.

It is very significant the normal functioning of the power organs in the district and grass root. [sentence as received] To this end I asked all the ministries, central institutions, and executive committees of the districts and regions to run the affairs.

I am sure that this crisis will not last for long, and very soon the political forces of the country will attain that solution which contributes to the national interests, progress, and democracy.

Council of Ministers Holds Special Meeting

AU0712210991 Tirana ATA in English 1912 GMT 7 Dec 91

[Text] Tirana, December 7 (ATA)—On December 7 before noon, the Council of Ministers, presided over by Premier Ylli Bufi, conducted a special meeting to examine the grave situation in the city of Lac.

The government listened to the reports by the minister of order, Bajram Yzeiri, the minister of defence, Perikli Teta, the minister of home trade and tourism, Agim Mero who were in Lac on December 6 evening. Likewise the government listend to the telephone report by the chairman of the Executive Committeee of Kruje District and that of Lac region. From these reports it came out that the terrorist actions of armed groups, which, being amongst the mobs of the people, seek to destroy the economic and social-cultural objects an attack the forces of order, continued on December 7, too.

The government members assessed the situation as very dangerous and threatening for the national stability and security. They demanded the adoption of immdiate and strict measures, in conformity with the law, to restore order and legislation.

The Council of Ministers asked the minister of public order that the forces and organs under its subordination should act unhesitatingly, conform the laws, against the organisers and executors of terrorist and destabilizing actions. [sentence as received]

The Council of Ministers asked the president of the Republic to order the Army forces to enter in action for the preservation of important objects threatened by these actions.

The Council of Ministers ordered the adoption of urgent measures to supply the city of Lac with bread and food stuffs.

Likewise, at the beginning, on the request of the Deputy Neritan Ceka, the government listened to his statement on the decision on the withdrawal of the ministers of the Democratic Party from the government announced by its Chairman Sali Berisha on December 4.

Alia, Party Representatives Begin Consultations

AU0712212091 Tirana Radio Tirana Network in Albanian 1900 GMT 7 Dec 91

[Text] Today, on 7 December 1991, President Ramiz Alia began consultative meetings with all the political parties to solve the government crisis.

The president first spoke with Servet Pellumbi, deputy chairman of the Socialist Party, and Namik Dokle, chairman of the Socialist Party's parliamentary group.

The Democratic Party's representatives, Party Chairman Sali Berisha and Neritan Ceka, party deputy chairman and chairman of the party's parliamentary group, later appeared for a meeting. At the beginning of the meeting, Mr. Neritan Ceka asked to issue a statement to the public. Mr. Sali Berisha did not agree to remain present while this statement was read, and departed.

President Ramiz Alia then conducted consultations with Mr. Sabri Godo, chairman of the Republican Party; Mr. Skender Gjinushi, chairman of the Social Democratic Party; Mr. Myrto Xhaferi, chairman of the Party of National Progress; Mr. Idajet Beqiri, chairman of the National Unity Party; Meno Gjoleka, chairman of the Agrarian Party; and the deputy Panajot Barka, member of the Managing Committee of the Omonia Organization.

In the afternoon, President Ramiz Alia had meetings with Valter File and Esat Mysliu, chairman and deputy chairman of the Liberal Party's Initiating Commission; Namik Hoti, chairman of the Ecology Party; and Marian Vehbiu, member of the Central Directorate of the Independent Centrist Party. The president will continue consultations with representatives of other parties tomorrow.

Consultations Continue 8 Dec

AU0812154991 Tirana Radio Tirana Network in Albanian 1430 GMT 8 Dec 91

[Text] President Ramiz Alia continued consultations with representatives of the political parties this morning to solve the government crisis.

His first meeting was with Fatmir Cekani, chairman of the Managing Council of the National Democratic Party. He then met Kimet Fetahu, member of the Initiating Commission of the Party of Democratic Prosperity; Rasim (?Qito), chairman of the Universal Party; (?Raz) Ibrahimi, member of the Central Organizing Committee of the Communist Party; Sejdi Kondi, chairman of the Albanian Popular Union; Nevruz Maluka and Afrim Tabaku, chairman and deputy chairman of the Green Party; Xhahit Xhaferi and Abdyl Kerlluku, members of the presidium of the Party of Popular Unity; and Xhevdet Libohova and Aleko Gjergo, members of the Managing Council of the Party of Albanian Democratic Union.

Social Democrats Consider PD's Step 'Overhasty'

AU0612210191 Tirana Radio Tirana Network in Albanian 1900 GMT 6 Dec 91

[Statement issued by Social Democratic Party in Tirana on 6 December]

[Text] The Social Democratic Party takes the view that the government crisis is an undesirable event with serious repercussions for the people, who are entering the most difficult and bitter winter of this half century. The Social Democratic Party considers the Democratic Party's [PD] step in withdrawing its ministers from the government, at a time when the nation's destiny is at a great historic crossroads and Albanian democracy is facing its most difficult test, to be overhasty.

The demands that caused the government crisis are not new. They were submitted in three successive months to the relevant authorities by the genuine opposition parties. They were finally submitted by the Democratic Party in the form of an ultimatum.

Because these demands were in general heading toward a solution, at the last moment as always, the Social Democratic Party considered it possible to avert a government crisis. The Social Democratic Party had already publicly spoken out in favor of averting such a crisis, in the belief that it would make the situation even more tense, confuse the implementation of the economic reform, and jeopardize the existence of local government.

This crisis will also entail undesirable complications in the implementation of emergency aid programs, however small they may be, and international agreements. A hunger crisis would lead the country toward total chaos, and would in particular be used by the Socialist Party to strike at the opposition.

The Social Democratic Party appeals to the two parliamentary parties to set aside their party interests, to think tolerantly about the people's woes, and to find fast and acceptable solutions for the most disputed aspects of the disagreements between the Socialist Party and the opposition. The Social Democratic Party appeals to all the political forces of the opposition to confront this exceptional situation responsibly, finding the most appropriate solutions to the benefit of the country and the people, without, of course, making any compromise with antidemocratic forces and without falling into their trap.

PSSh Urges Working Government Under Bufi

AU0712212291 Tirana Radio Tirana Network in Albanian 1900 GMT 7 Dec 91

[Interview with Socialist Party [PSSh] Deputy Chairman Servet Pellumbi by unidentified correspondent in Tirana on 7 December—recorded]

[Text] [Correspondent] Mr. Pellumbi, you have just emerged from a consultation with the president. What did you suggest?

[Pellumbi] We suggested to the president the creation of a working government. We also suggested that Comrade Ylli Bufi should again lead this government, which would ensure continuity in the government and the opportunity of realizing the agreements and contacts with foreign firms and countries, especially in connection with food supplies and raw materials to get through the difficult winter period and reach the elections. [passage indistinct]

Republicans Call For 'Working Nonparty Government'

AU0612205891 Tirana Radio Tirana Network in Albanian 1900 GMT 6 Dec 91

[Text] A statement by the Republican Party's Managing Committee points out that a government crisis has recently been added to the country's extremely grave situation. [word indistinct] of different parties and groups are trying to exploit this situation to accuse and split the opposition.

The Republican Party was obliged to resign from the government because it was not providing leadership for the country at a time when confusion and despair prevail. The Republican Party was accused precisely because it dared to state this truth. With the Democratic Party's departure from the government too, the crisis became total.

The Republican Party considers various statements made at the government meeting to be irresponsible. It is not true that the country has bread for only six days. The reserves are larger, and wheat is arriving. As the president himself said in his interview with ZERI I RINISE on 30 November, bread has been guaranteed.

The Republican Party took part in the government meeting on 4 December and also in the two meetings of the chairmen of the five political parties with the president yesterday and today, with total goodwill to provide a solution to the crisis as soon as possible.

We think that under the conditions that have arisen, the only way out is to create a working nonparty government to lead the country peacefully toward elections in February.

Favor Government Not Under Bufi

AU0812160291 Tirana ATA in English 1040 GMT 8 Dec 91

[Text] Tirana, December 8 (ATA)—In a meeting with the president on December 7, 1991, the chairman of the Republican Party stressed that the governmental crisis began with the hasty and incorrect action of the Council of Ministers putting the Republican ministers in front of the alternative either to withdraw the promemoria or leave the government.

This action was adopted with the same haste by the president himself.

The chairman of the Republican Party, Mr. Sabri Godo, said that this government, despite its endeavours, did not justify itself for a series of circumstances bringing about a vertical worsening of the country's economic situation.

The Republican Party is of the opinion that for the solution of the crisis in the created conditions the formation of a working government with personalities outside from the political parties is more acceptable. [sentence as received] From this viewpoint the formation of the government should not be entrusted to Mr. Ylli Bufi.

Democratic Party's Ceka Meets With President

Opposes Berisha Policies

AU0712212691 Tirana Radio Tirana Network in Albanian 1900 GMT 7 Dec 91

[Text] At 1000 [0900 GMT], Democratic Party [PD] Chairman Sali Berisha and Neritan Ceka, chairman of the PD's parliamentary group, went to a meeting with the president. The latter asked to make a statement to the press. Here it is:

[Begin Ceka recording] Considering the situation created by the decision to withdraw the PD's ministers from the government to be very critical, and foreseeing a danger threatening the country at a time when the PD is a decisive political force in the management of the state, I feel obliged to explain my attitude to this decision to the PD's members and the people.

I must tell the public, who saw me sitting next to Mr. Sali Berisha at the news conference at 1300 on 4 December, that I was present there, not in order to support his statement, but to prevent it, even at the last moment. Entrusted by the PD to talk with the president in the presence of the Council of Ministers (?and to convey) to the People's Assembly and the officers of the legal state the four points of the statement of the PD National Council, I referred to Mr. Sali Berisha at about 1200 on 4 December, about one hour before the news conference, (?to discuss) all the points that had been agreed upon and to say that we had no reason to withdraw from the government. There was enough time to summon the PD's Presidium and the ministers to judge this step.

Nevertheless, Mr. Sali Berisha preferred to consult only a group of deputies present in the parliament, none of whom was responsible for the consequences of this step, including Mr. Tomor Malasi, chairman of the Tirana District Executive Committee, who has left the city without bread for two days. With this invalid mandate, without making any contact with the ministers or the prime minister, and without considering my protest as PD deputy chairman, Mr. Sali Berisha imposed his decision to withdraw the ministers from the National Stability Government.

Under such circumstances, I feel obliged to state that Mr. Sali Berisha's step represents a personal initiative, and there is no reason why the PD's ministers should withdraw from the government or for the government to resign. It has no doubt been the best government we have had since the war, including such patriotic and dedicated people as Ylli Bufi, Gramoz Pashko, Ylli Cabiri, Perikli Teta, Bajram Yzeiri, Genc Ruli, and others, who have in a short time achieved such successes as granting land to the peasantry, obtaining food aid, gaining Albania's acceptance as a democratic state, etc.

This government, accepted by the entire people, is the best guarantee of bread for our children and of establishing calm through free and general elections.

For this reason, it is not the government that should resign, but those who are attempting to create political capital in these difficult times, and first of all Mr. Sali Berisha, who did not succeed in making the right decision, keeping the party's word, and guiding the party toward dialogue in place of ultimatums. I, as the PD's deputy chairman, was not able to prevent this antidemocratic act and allowed my oath [bese] and word of honor to be trampled on.

I would recommend the same step to Dr. Kastriot Islami, whose political machinations have blockaded the parliament for weeks on end. Finally, it would be to the honor of the president, who has not succeeded in becoming the nation's symbolic head, to find an appropriate moment as soon as possible to leave his post to a more popular leader.

I invite the people, the parliament, and the trade unions in particular to support this government, which means bread, wages, fuel, and less politics. I ask the Voice of America not to become a tool of political machinations and not to interfere in our internal affairs.

Being the first to set an example, I now tender my own resignation from the PD's Presidium and as chairman of the PD's parliamentary group. I invite my electors to a meeting tomorrow to discuss my mandate as a deputy. I now return to my place as an ordinary archaeologist. Thank you. [end recording]

Berisha Counters Ceka Accusations

AU0712211891 Tirana ATA in English 1943 GMT 7 Dec 91

[Statement issued by Democratic Party Chairman Sali Berisha in Tirana; date not given]

[Text] Tirana, December 7 (ATA)—On December 7 at 10.00, I went to the office of the president of the Republic [and] called for consultations on the government crisis. I found Mr. Neritan Ceka there. As soon as I sat down we were surrounded immediately by RTV cameramen. Prior to the negotiations, Mr. Ceka said: "Mr. President I want to read a statement" and started reading it. Taken aback by this political trap, I left the president's office immediately, where I was called for talks. After an hour a delegate of the president's office came to the seat of the Democratic Party handing a document with the official timetables of the consultations with the political parties. With regard to it I phoned the president and told him the following:

"Mr. President, I came to you upon your call to make my contribution concerning the political crisis the country is undergoing.

But I fell in a [word indistinct] trap forcing me to leave immeditely? Anyhow that's your business. On my part I would like to say that it is unacceptable for you in the critical moments the people and country are living in to allow such perfidious backstages.

Under these circumstances, despite its will and wish to make its contribution, the PD [Democratic Party] cannot continue the talks with you for solving the government crisis. All the responsibility regarding this rests on you, Mr. President, for the fact that you find time to deal with such undignified actions.

Whereas as far as Mr. Ceka's statement, whose contribution to the democratic processes I know and appreciate more than any one else, I would like to add the following:

First - this statement should not have been made in the president of the Republic office making an unnecessary service to the man who is the main responsible for the crisis the country is in.

Second - I think that the moment he has chosen to leave the political stage is inconvenient. In case Mr. Ceka had decided so, he should have waited till the solution of the political crisis?

Third - none of the items of his statement stands because the requests were not fulfilled according to the decision of the National Council.

Fourth - Mr. Ceka and every other leader and member of the Democratic Party know that my actions have been in compliance with the decisions of the National Council, and none of us, neither the Presidency of the party has the right to postpone or change its decisions.

Finally I want to tell my friend that this time he is mistaken. But his merit and contribution to democracy are such that stand above the mistake he has committed.

Ceka Seeks Berisha's Resignation

AU0812203591 Tirana Radio Tirana Network in Albanian 1900 GMT 8 Dec 91

[Statement issued by Neritan Ceka, former Democratic Party deputy chairman, in Tirana on 8 December; read by announcer]

[Text] I hope that the information issued by the radio and television yesterday has explained to the public that Mr. Sali Berisha's statement accusing me of setting a political trap in collaboration with the president is based on a misunderstanding.

Nevertheless, to defend my honor as a party leader and a deputy, I state that:

1. I did not set any trap in the President's Office, but was invited there just like Mr. Sali Berisha in the course of the talks conducted throughout the day among representatives of the political parties about creating a new government.

Dr. Sali Berisha arrived a little late, and I waited for him only in the presence of the president and the radio and television team, which was the same one that filmed the meetings with the representatives of other parties.

2. I made my statement in front of the Council of Ministers and the president because they represent the highest authority in the absence of the parliament. A gave a copy of the statement to Mr. Mitro Cela on the day before for publication in RILINDJA DEMOKRATIKE. It was not published for technical reasons.

3. As I have always acted face-to-face, I asked to read the statement in the presence of Mr. Sali Berisha, to demonstrate to him that in announcing the withdrawal of the ministers from the government he did not have the mandate of the Democratic Party's [PD] Presidium, the sole authority entrusted by the National Council to decide on the fulfillment of the now-familiar four demands.

I was similarly obliged to state in front of the president, who for good or ill has the constitutional right to talk with party representatives about the formation of a new government, that Mr. Sali Berisha did not have a mandate from a decision-making meeting of the PD's Presidium to conduct such talks. By leaving this confrontation, Mr. Sali Berisha avoided the truth, not a trap, into which he would obliged to admit that all other representatives of other political parties have fallen.

4. I must explain to the public that the PD's Presidium has still today not met to make a decision on its stand toward the government, and that Mr. Sali Berisha is again making a mistake in stating to the president by telephone that he excludes the PD from participation in discussions on the formation of a new government. This is in the competence of the party's Presidium and National Council and not the party chairman.

5. Mr. Sali Berisha's statement against me was made known by the Voice of America a few hours before it was issued by the Albanian media. However, this radio station, which is becoming the voice of Sali Berisha, did not find details of a communist past in my biography, unlike that of Mr. Pashko. Let it do some reading in the biographies of those who give it information.

6. In pointing out that Mr. Sali Berisha is compounding his errors to the detriment of the PD, democracy, and the nation, I ask him to judge calmly the need for him to tender his resignation, in order to leave the PD's leadership in the hands of those who founded it and who quite rightly enjoy the people's trust.

In conclusion, I apologize to the electorate because, due to commitments and a failure to prepare for the meeting, I will have to meet them at a later date.

Democratic Party Assures People of Food Supply

AU0612203291 Tirana Radio Tirana Network in Albanian 1900 GMT 6 Dec 91

[Text] The Democratic Party [PD] states that, according to reliable reports reaching the PD's information office today, there were attacks on stores and bakeries throughout the country today. Several bakeries in Tirana were broken into and damaged, and there were even more serious incidents in other districts.

This panic was caused by the irresponsible statement that the country only has six days' reserves of bread. Information obtained by the PD from the responsible retail organs is quite different. There is bread in Tirana for about 20 days, and rice, eggs, and powdered milk, goods which have been absent for some time, and have now arrived in the storehouses and are being distributed.

The flow of food aid and wheat from abroad is uninterrupted. The PD guarantees the Albanian people that there will be no shortage of food aid from abroad during this difficult winter, and therefore appeals to the entire Albanian people to preserve calm and to maintain the necessary equilibrium.

Stores Looted in Lac; Order Forces Intervene

AU0612203891 Tirana Radio Tirana Network in Albanian 1900 GMT 6 Dec 91

[Text] The events that took place in Lac today distressed the entire public in Kruje District and beyond. Large groups of people gathered on the town's main boulevard and attacked shops, the department store, restaurants, the State Bank, the town's kindergarten and day-care center, and many other buildings, shattering windows and breaking down doors.

A crowd of people attacked the gate of the Lac Food Enterprise and broke into the area of the production line, seizing many articles of food. The taps of the large refining tanks were opened and pipes were broken, leading to the loss of all the oil.

Acts of destruction of this kind also took place in the retail sector storehouses in the towns of Mamuras and Milot. Cows, piglets, and pigs were seized from the stalls of the agricultural enterprises, and poultry farms were also looted.

Faced with such acts, the organs of public order intervened, attempting to pacify the crowds of people with appeals for calm. They then intervened to reestablish order. In connection with this shocking event, the Pluralist Executive Committee has met in Kruje and the region of Lac and has also talked with representatives of the various political parties in order to find possible ways of calming and stabilizing the situation.

Ministry of Public Order on 'Criminal Acts'

AU0712210191 Tirana ATA in English 1903 GMT 7 Dec 91

[Text] Tirana, December 7 (ATA)—The Ministry of Pubic Order issued on December 7 the following announcement:

The Ministry of Public Order announces that in some towns and villages of Kruje District there have been some serious worries in disturbing the order and tranquillity of the citizens as well as massive destructions and burglaries. Big mobs of people and amongst them ordinary and immoral burglars, enemies to the democracy we are building up, have undertaken unprecedented acts by stealing, destroying the bread of the people they are so much in need of. [They] have assaulted the trade units, factories and enterprises, have attacked with explosive substances and fire arms also the forces of order which have engaged themselves energetically in defending the life of the people, property, democracy the people long so much [for].

The criminal acts have started on December 3, 1991 in Mamuras town and have continued on December 4, 5, 6 and 7, 1991 also in Thumane, Lac, Milot and some villages. A very great quantity of food products which the state is ensuring through sacrifices for the people, children, nurseries and kindergartens, is stolen and destroyed. Some economic objects, some hundreds of honest workers have linked their life with are destroyed. [sentence as received] Some kindergartens and nurseries in which the parents are sending their children in this bitter winter lying ahead of us, are destroyed, too.

The Ministry of Public Order states powerfully before our public opinion that it and its forces are determiend to defend at all costs and by all means granted to them by law the life of the people, their tranquillity and the bread. We inform that during the actions to defend the life of the people a member of the forces of order gave his life on duty, that an innocent victim from the Lac city was as well killed.

Alia Issues Decree on Military Guards for Shops

AU0712211991 Tirana ATA in English 1900 GMT 7 Dec 91

[Text] Tirana, December 7 (ATA)—Ramiz Alia, president of the Republic, issued on December 7 the following decree:

1. While the forces of public order, due to the difficulties created cannot protect such objects as foodstores and magazines, industrial and trade centers and units, bake-houses, electric substations, water depots, etc., these objects can be protected and defended also by military forces.

2. When the Army forces engage in the protection and defence of the above mentioned objects, they are transferred under the direction of the public order organs.

3. The Ministry of Public Order and the Ministry of Defence coordinate the work between them to define the objects to be protected as well as the forces and means necessary to this end.

4. This decree enters into force immediately.

Military Forces Permitted To Use Firearms in Lac

AU0712213191 Tirana Radio Tirana Network in Albanian 1900 GMT 7 Dec 91

[Statement issued by the Public Order and Defense Ministries in Tirana on 7 December]

[Text] In implementation of Decree No. 83 of 7 December 1991 issued by President Ramiz Alia, the Ministry of Public Order and the Ministry of Defense detailed military forces with the necessary equipment for the protection of installations in the Lac area, which, because of the difficulties encountered, cannot be protected solely by the forces for the maintenance of public order, and instructed them to take the necessary measures.

In performing this duty, there will be no hesitation in acting on Decree 7,449 of 5 January 1991 on the use of firearms by border guards, the forces of public order, and armed military and civilian guards.

This law among other things states:

Article Three: The forces of public order use the weapons at their disposal when:

a) A serious crime of terrorism, diversion, destruction of or damage to state, social, or private property is taking place involving the use of fire, explosives, weapons, or other dangerous objects; in cases of murder; looting or theft from banks, objects of material or cultural value, vehicles transporting currency or valuable materials; assaults by a group of persons; and kidnapping.

b) A crime takes place involving firearms or other weapons, explosives, poisons, or objects that cannot be stopped when set in motion.

c) The person who has committed, is in the process of committing, or shows sufficient evidence of having committed a serious crime attempts to elude detention or arrest.

d) Persons attempt to pass points guarded by the forces of public order by force or with the use of weapons.

e) The forces of public order or third forces are attacked by weapons or other objects dangerous to life and when, in specific circumstances, this attack cannot be repulsed by other means.

Article Four: Firearms may be used by armed military or civilian guards against persons who attempt to enter forbidden military zones by force or facilities of special importance defined by bylaws.

All citizens are asked to dissociate themselves from destructive and criminal elements to avoid undesirable consequences.

Efforts To Establish Order in Lac Continuing

AU0812202991 Tirana Radio Tirana Network in Albanian 1900 GMT 8 Dec 91

[Statement issued by the Public Order Ministry in Tirana on 8 December]

[Text] The organs of public order in Kruje District have strengthened their efforts and work to stabilize the situation and the security of citizens.

On 6 and 7 December, they arrested 15 persons, inhabitants of Lac and its surrounding villages. They were caught red-handed while damaging, stealing, and destroying materials, buildings, and retail premises.

Today, on 8 December, six more persons were arrested, mostly aged between 20 and 28, after it was proved that they had taken part in the break-ins, damage, and massive thefts. They were among the ringleaders in the vandalism, and used private vehicles for the transportation of stolen goods.

The public order organs in this district, in close cooperation with ministry personnel, are continuing in their intensive efforts to prevent other violent and criminal acts, in order to establish the normal public order that has been seriously violated, especially in Lac and Mamuras.

Meanwhile, the measures taken by the state authorities to provide the most essential food supplies have helped to stabilize the lives of citizens and to put an end to the excesses of recent days.

Commentary on Government Record, Opposition Split

AU0812154791 Tirana Radio Tirana Network in Albanian 1430 GMT 8 Dec 91

[Text] Our reporter Timo Luto, who because of the strike in Albanian Radio-Television has not appeared before the microphone since 1 November, now presents a commentary on recent political events:

[Luto] The frosty political climate in recent days has caused more pain than the cold of this winter that is so difficult in every sense. One year ago, on a calm December evening, the citizens of Tirana heard the first calls for freedom and democracy coming from a single direction, from the students' campus. People appeared at their windows and on balconies, and many of them went to join the students. The people will remember these students with gratitude. They were the brave and determined initiators of the struggle for democracy.

One year has passed since that day, and democracy has made genuine progress, but the struggle to implant it firmly has not been and is not easy. In this struggle, alongside people genuinely hoping for democracy, there are also political speculators who seek to accumulate political credit for themselves, seriously compromising democracy and abusing and trifling with the destiny of the people at these moments that are so critical.

The two largest parties, the Socialist Party and the Democratic Party, are each trying to outrun the other. So far, every consensus reached between them has been fragile and short-lived. This has also been shown by their attitude toward the National Stability Government that was formed by a coalition of five political parties.

The agreement to support this government was broken very quickly. The Union of Independent Trade Unions published a petition as early as September with 12 demands addressed to the government, which almost led to a general strike that not even this government could have withstood. Games were played behind the scenes, attempting to find a pretext for bringing down the government.

The delays in the Shkoder trial and the failures to arrest the blockmen [bllokmene, former Albanian Workers Party leaders] and to dismiss the directors of the radio and television remained this government's sole weak points. Although faced with many difficulties because of the country's extremely severe economic condition and a political atmosphere of great pressure, the government successfully carried out many of its tasks involving improvements to the situation at home and securing foreign support.

But the political parties, guided by their party interests, played their own game, and paid no attention to what was in the people's interests —protecting the people's lives and strengthening democracy.

These tendencies brought the country into this highly tense and insecure situation that has shocked everybody who loves the homeland and is grieved at the sight of this long-suffering people.

More than by the statement of the PD's National Council about the withdrawal of its ministers from the National Stability Government, democratic forces have been shocked by the statement of Neritan Ceka, the PD's deputy chairman and chairman of the parliamentary group. Anyone who loves democracy realizes how serious any division or weakness in the opposition is. There is no development or progress without a healthy opposition and there is no way of striking a blow against the past that must be buried once and for all. Anyone who seeks such a split commits a serious crime against the people, outrages democracy, and kills the future.

This statement by Neritan Ceka, who is doubtless a respected figure, shows either the megalomania of one person, or the honesty and dedication to democracy of the other.

It became clear at the government meeting that the opposition parties were wavering in their standpoints, and that the PD's Presidium itself did not have a common viewpoint. We therefore think that there was no need for an abrupt and conclusive decision. The dialogue could have continued, and a more appropriate solution could have been found. These declarations have once again plunged the country into new chaos, from which we do not know how we will emerge.

The people are short of everything: bread, heating, and public order. Now they lack the prospects in which they had placed their hopes and that kept them going. They had turned their eyes toward a gleam of light. Must this now come from the skies?

Gentlemen politicians, put your party passions to one side, and look at the people. Your appointment at your duelling pitch is drawing nearer, and the people will judge you.

Podkrepa Labor Confederation Continues Strike

Chairman Says Plant 'Facing Ruin'

AU0612190991 Sofia BTA in English 1755 GMT 6 Dec 91

[Text] Stara Zagora, December 6 (BTA)—"The Arsenal Company is facing ruin," said Mr. Veselin Zhivkov, chairman of the strike committee of the Confederation of Independent Trade Unions at the Arsenal military works.

The works have suffered losses amounting to the hard currency equivalent of more than 1 million leva a day for three days now, Mr. Zhivkov said. The losses are increasing by the hour.

The strike committee of the Podkrepa Labour Confederation demanded an average wage of 1,850 leva after the other trade union organization had signed a contract for 1,350 leva. The members of the Confederation of Independent Trade Unions blamed this trade union's leaders for servility and joined Podkrepa's strike. "We were forced to demand higher wages from the managers," Mr. Zhivkov said, adding that they suggested an average wage of 1,920 leva though they were aware this might bring the company to ruin. According to Mr. Zhivkov, a solution will be found if the Council of Ministers takes a stand on the conflict. However, the Ministry of Industry and Trade has kept silent so far. Mr. Zhivkov said that there have been proposals and projects which will guarantee these wages provided parliament and the government pass new legislation.

Other Strikes Break Out

AU0712150591 Sofia Khorizont Radio Network in Bulgarian 0900 GMT 7 Dec 91

[Text] Late last night the Arsenal Plant in Kazanluk received a letter by fax from Industry Minister Ivan Pushkarov and Council of Ministers Deputy Chairman Dimitur Ludzhev. In the letter, the ministers call upon the participants in the strike that was organized by Podkrepa to open talks with the economic leadership without preconditions, and for the ministers to be informed about the agreement reached by 1000 GMT on 9 December, otherwise the two ministers will submit proposals to the government for measures to be taken in such cases.

In connection with this, a rally held this morning addressed a threat to President of the Republic Zhelyu Zhelev that if the government intervenes in the strike, the presidential elections on 12 January might not be held.

At the Arsenal Plant in Kazanluk, all kinds of rumors are circulating that grossly manipulate public opinion, alleging that strike actions are expected throughout the country. The local organization of the Confederation of Independent Trade Unions in Bulgaria [KNSB] at the Arsenal Plant has started a meeting to formulate its position in the continuously changing situation. Until yesterday, the KNSB was claiming higher wages than those offered and also higher than the wage levels that Podkrepa is demanding.

At Maritsa East this morning, a strike broke out at the briquette plant, stopping production. In addition, no coal is being delivered to the Maritsa East-2 and Purva Komsomolska Thermoelectric Power Plants, because the freight trains delivering the coal from the Troyanovo-1 and Troyanovo North Coal Mines stopped running last night. The rail workers of the Technological Railroad Transportation Service are on strike. At the Maritsa East-2 Power Plant, it is expected that a 210-megawatt generating unit will be shut down because only 130,000 tonnes of coal are in stock to operate it, which is sufficient for only 72 hours of operation at full capacity. A further 210-megawatt generating unit has been shut down at the Dimo Dichev Thermoelectric Power Plant. The local KNSB and Podkrepa trade union branches at the Maritsa East-2 Power Plant is expecting Prime Minister Filip Dimitrov to arrive today together with authorized experts in order to start negotiations on the conflict that has broken out.

The workers at the Rozhenets Road Transportation Company in Smolyan are continuing their effective strike. The local population, facing heavy snow and freezing temperatures since yesterday, see no good prospects for the future. Here is some further information from our correspondent Georgi Radev:

[Begin Radev recording] The meeting held on 3 December between the strike committee and experts of the Ministry of Transport and the KNSB failed to produce any agreement. The possible new wage levels offered, ranging from 1,000 to 1,150 leva per month, and the assurance that 400,000 leva of the enterprise's debt would be canceled, failed to satisfy the strikers.

Accordingly, the strike continues according to the schedule announced in advance. Today, no buses will run between 0900 and 1300, and from Monday the city transportation system will only operate from 0630 to 0800 and from 1700 to 1830 in the evening. According to Anastas Vulchev, representative of the strike committee, this schedule will continue until the end of next week, at which time, unless an agreement is reached, transportation will be completely shut down and the drivers will use their buses to block the offices of the Ministry of Transport. [end recording]

Committee Denies Threatening President

AU0712170691 Sofia Khorizont Radio Network in Bulgarian 1400 GMT 7 Dec 91

[Excerpts] This morning we broadcast a report from the Arsenal Company concerning a letter from Ministers Pushkarov and Ludzhev to the strikers. [passage omitted]

The regional organization of Podkrepa in Kazanluk would like to make use of its right of denial, about which its representative, Mr. Khristo Genov, telephoned us to lodge a protest on behalf of the strikers at the Arsenal State Company concerning the previously broadcast report that the strikers had made a declaration against the president of the Republic.

The Podkrepa strike committee announces that the strikers' demands are purely trade union in nature, in that they demand the replacement of the company's management. The strikers make no threats against the government nor against the president.

In answer to the letter from Ministers Pushkarov and Ludzhev to the strikers, the National Confederative Council of the Podkrepa Labor Confederation issues a declaration drawing the government's attention to the fact that the threat to mobilize the strikers is in essence a lockout, and constitutes a gross infringement of national and international labor legislation.

The Podkrepa National Confederative Council has instructed its Executive Council to mediate in ensuring the opening and continuation of negotiations between the strikers and the interested ministers.

Dimitrov Asks Podkrepa Leaders To Halt Sit-In

AU0612213791 Sofia BTA in English 1939 GMT 6 Dec 91

[Text] Sofia, December 6 (BTA)—In a letter Prime Minister Filip Dimitrov called the leaders of the Podkrepa Trade Union Amalgamation to lift the occupation of the building of the former Bistritsa residence near Sofia. But Podkrepa decided not to give in until it gets this or another similar building for an International Trade Union Centre.

The Bistritsa residence was used for a school of management under a contract signed with the British magnate Robert Maxwell. Podkrepa occupied the building asserting that it was being used for unclear purposes by the nomenklatura.

The provisions of the contract with Robert Maxwell are culpably disadvantageous, the prime minister pointed out in his letter. It is quite possible that it will be declared void. Finance Minister Ivan Kostov has submitted a case at the Sofia City Court for abrogating the contract and for placing the building at the disposal of the state. Under the operative laws the law enforcement authorities are obliged to restore the status quo, the prime minister reminded Podkrepa.

The chief of the management school housed in Bistritsa threatened with an international scandal.

Socialists Not To Support Zhelev for President

AU0612212591 Sofia BTA in English 2050 GMT 6 Dec 91

[Excerpts] Sofia, December 6 (BTA)—[passage omitted] The plenary meeting of the Socialist (ex-communist) Party [BSP] is going on for a second day. The Bulgarian Socialist Party will not nominate its candidate for the presidency. The plenum is working out a special text listing requirements to the candidate whom the Socialists will back, the BSP Press Centre told BTA. The Socialist Party is categorical that it will not support Dr. Zhelyu Zhelev in the elections.

The Bulgarians will celebrate Christmas from December 25 to 27 for the first time since 1944, the cabinet decided today. [passage omitted]

A trade delegation from Singapore held talks today with Bulgarian businessmen. Mr. Vong Mang Quang, leader of the delegation, said that it came to Bulgaria to familiarize itself with this country's market and to propose that Bulgarian trade partners use Singapore as a trade centre. [passage omitted]

Members of the Bulgarian National Radical Party tried to occupy the bridge across the Danube at Ruse but the police foiled their intentions. The National Radicals insist that Turkish language classes be banned from Bulgarian schools and that religion be introduced as a subject. The National Radicals managed, however, to stop the traffic between the Danubian towns of Silistra and Ruse. [passage omitted]

Assembly Debates Property Confiscation Bill

AU0612200891 Sofia BTA in English 1241 GMT 6 Dec 91

[Text] Parliament started debating the bill on the reversion of the property acquired by the Communist Party and other formal organizations during the totalitarian period.

The bill was submitted by Prime Minister Filip Dimitrov, leader of the Union of Democratic Forces. The parliamentary faction of the Bulgarian Socialist (ex-communist) Party, objected strongly against it and organized demonstrations.

The political agreement signed by the major political forces earlier this year contained a clause on the reversion of the Communist Party's property to the state.

Today's debates are of the most heated so far. The Bulgarian Socialist Party insisted that they be broadcast live on national radio and television.

Minister Says Strict Monetary Policy To Continue

AU0612175191 Sofia BTA in English 1603 GMT 6 Dec 91

[Text] Sofia, December 6 (BTA)—An abstract figure gives me no peace, Finance Minister Ivan Kostov said. The calculations of the ministry have shown a 50 billion leva deficit in the incomes-expenditures part of the budget.

Under these circumstances it would be impossible for the ministry to offer a draft for the 1992 national budget of Bulgaria because no one in this country, and in Washington, where the headquarters of the International Monetary Fund are, would accept such a planned budget deficit. Fifty billion leva amount to about two and a half billion U.S. dollars, according to the current exchange rate, which is an astronomical figure for a budget deficit of Bulgaria with her 8 million population.

At a press conference, held here today, the finance minister expressed the hope that the calculations will become more acceptable at the beginning of next year when the ministry will have to present the draft budget for 1992. Against this background, the ever more persistent demands for more and more tax concessions, wage rises and other claims on the empty exchequer are more than strange, according to Mr. Kostov.

In response to a question the finance minister projected that the hard monetary policy will continue in 1992, too.

The government has received some four and a half billion leva from the National Bank for "patching up" this year's budget. These are long-term credits which the government will have to pay back in about 15 years, according to the finance minister.

Deutschbank Gives Ultimatum to Government

AU0612174991 Sofia BTA in English 1653 GMT 6 Dec 91

[Text] Sofia, December 6 (BTA)—Mr. Ivan Kostov, minister of finance, described as a "most unpleasant surprise" Deutschbank's demand that the Bulgarian Government and the Bulgarian National Bank provide guarantees for this country's 8.5-billion dollar debt to 308 commercial banks by the end of the year.

The socialist government of former Prime Minister Andrey Lukanov imposed a unilateral moratorium on payments in March 1990 and ever since Bulgaria has been negotiating with a bank advisory committee headed by Deutschbank. Yesterday, however, Deutschbank warned the Bulgarian Government that it would resign from the committee if its conditions are not fulfilled.

Obviously, the West is using a double standard in its relations with the new East European democracies. Some of them are given concessions while others are presented ultimatums in an unacceptable tone at that, Mr. Kostov said at a press conference here today.

In response to a question whether Deutschbank's ultimatum should be interpreted as a "sanction prompted by Bulgaria's excessive commitment to the United States," Mr. Kostov said that there is no such commitment. He ruled out the possibility of Deutschbank's actions having a political, instead of "commercial" motives. However, Mr. Kostov said that the Bulgarian Government would refer the matter to the German Government.

Mr. Kostov admitted that the creditors have certain grounds for discontent because Bulgaria has been deferring payments by three-month roll-overs for two years now. "However, we were left with the impression that the negotiations on the rescheduling of the debt are going on well and even expected an agreement to be reached in 1992," Mr. Kostov said.

The Bulgarian Finance Minister said that the Deutschbank preparations for a withdrawal from the committee, "in a rather awkward manner," according to Mr. Kostov, might have been prompted by the bank's ambition to head an analogous committee of Russian creditors.

The possible break-up of the advisory committee is the worst thing that may happen to Bulgaria, according to Mr. Kostov, because then the negotiations will deteriorate into wrestling, in the catch-as-catch-can style, at that. "It is simple, the creditor grips whoever falls into his hands first. It may not be the debtor himself but someone who resembles him," the finance minister said. He added that the State Bulgarian Foreign Trade Bank is already fearing a distraint on its accounts and predicts "cataclysms in Bulgarian exports."

Nevertheless, Bulgaria hopes that the problem will be solved through civilized dialogue with the creditors.

Mr. Kostov recalled recent unofficial statements by a German statesman that "Germany will take Bulgaria in tow if the Union of Democratic Forces wins the elections." "The Deutschbank ultimatum is a strange way of doing this," Mr. Kostov said.

Government Recognizes Ukraine Independence

LD0812215391 Prague CSTK in English 1742 GMT 8 Dec 91

[Text] Prague Dec 8 (CSTK)—The Czechoslovak Government decided today in a special session to recognise the Ukraine as an independent state and to begin negotiations with the Ukraine on the opening of diplomatic relations.

In a declaration provided to CSTK, the Federal Government cites the December 1 referendum in the Ukraine, in which 90 per cent of the votes were cast in favour of withdrawing from the Soviet Union, as key in its decision to grant recognition.

The Government of the CSFR is persuaded that "the Ukraine will contractually assume from the USSR the corresponding part of commitments, particularly political and economic, in the sphere of international security and disarmament, including those deriving from the relevant multilateral and bilateral treaties...", reads the declaration.

The Czechoslovak Government further "expresses the conviction that the Ukraine will contractually assume the commitments deriving from the Final Act of the Conference on Security and Cooperation in Europe (CSCE), the (November 1990) Paris Charter for a new Europe and all other CSCE documents.

Slovak Presidium Congratulations

AU0612201891 Prague CSTK in English 1400 GMT 3 Dec 91

[Text] Bratislava Dec 3 (CSTK)— The Slovak parliament presidium has sent a letter to Ukrainian President Leonid Kravchuk assuring him of Slovakia's "will to create an atmosphere of mutual understanding, respect, and trust between our nations."

Slovak parliament chairman Frantisek Miklosko read out the letter at today's legislative session.

It congratulates the Ukrainian people on the outcome of the referendum Sunday, in which 90 percent of the Republic's population voted for secession from the Soviet Union.

The letter wishes the Ukraine "every success in building a new democratic and prosperous state."

Dienstbier on Recognition of SFRY Republics

LD0812234991 Prague CSTK in English 1950 GMT 8 Dec 91

[Text] Prague Dec 8 (CSTK)—While the Czechoslovak Government has recognised the independence of the Ukraine, it will not extend recognition to the breakaway Yugoslav Republics of Slovenia and Croatia before "the majority of states ... in the Helsinki process" do so, Czechoslovak Deputy Premier and Foreign Minister Jiri Dienstbier said today.

"The Czechoslovak Government has decided on the basis of the referendum results to recognise the Ukraine as an independent state, and we will immediately begin negotiations on treaty conditions and the initiation of diplomatic relations", Dienstbier told CSTK after today's special federal cabinet session.

Asked whether Czechoslovakia also intends to recognise the independence of Croatia and Slovenia, Dienstbier said the situation in Yugoslavia is quite different from the Ukraine.

"From the beginning in Yugoslavia, we have been concerned with two principles: the resolution of the entire Balkan question and the unity of the international community.... In this case, we think that at least the second principle should be maintained—for their independence to be recognised by the majority of states participating in the Helsinki process".

"Recognising Slovenia and Croatia will not solve the conflict. It must truly be solved globally", he added.

According to Dienstbier, the CSFR will send special emissaries to Kiev next week to continue negotiations with Ukrainian officials which began in October on economic agreements, oil and natural gas transit and the Ukraine share in the Soviet Union's debt to Czechoslovakia, now standing at nearly 5,000 million USD.

He said the emissaries will also be discussing the Ukraine's adherence to the treaty on conventional forces in Europe and, in particular, its nuclear weapons. "It is also necessary to confirm borders and work out all the details (of recognition)", Dienstbier added.

"I think one of the basic things is for the Ukraine to accede to the (November 1990) Paris Charter and to all the documents coming out of the Conference on Security and Cooperation in Europe", he emphasized.

Calfa Views Results of Pakistan, PRC Visits

LD0812092191 Prague Federal 1 Television Network in Czech 1850 GMT 6 Dec 91

[Interview with Prime Minister Marian Calfa by unidentified correspondent; place and date not given: "Ten Minutes With the Prime Minister"—recorded; Calfa speaks in Slovak]

[Excerpts] [passage omitted] [Correspondent] Pakistan—the first country on the agenda of our prime minister's trip—plays an important role in the political activities of this region. Our delegation was, above all, interested in deepening our economic cooperation, especially by creating the preconditions for further talks with this country.

[Calfa] I held talks with Prime Minister Nawaz Sharif and the president. I left with two impressions. The first impression was that they had a lively interest in the events in Central Europe, not only in Czechoslovakia but in the entire region. In fact, I was the first representative from Central Europe to visit Pakistan. They were very interested in economic and internal policy questions, as well as in foreign policy orientation, and a lot of questions emerged in this area that I attempted to answer. The second area concerned our bilateral relations. We did not have a lot of contacts with Pakistan in the economic sphere and almost none in the political sphere. [passage omitted]

[Correspondent] The international relations of Pakistan are not simple—this applies, above all, in the case of India.

[Calfa] After all, our policy is to hold talks—friendly talks—with everybody who wishes to hold talks with us. That is why we are, of course, going to hold talks with India, and we have already held talks with India [as heard]. I do not think that because we hold talks with Pakistan, our relations with India should be placed in jeopardy.

[Correspondent] Given these facts, it would be very sensitive if we were to export military equipment to Pakistan now—the thing in which the Pakistani side showed interest several times, the last time during the prime minister's short stopover in Karachi.

[Calfa] So far we have not held talks about arms. I think that at present the export of weapons to this region could hardly be considered, first because a conversion of military production is under way in our country and we would like to halt military production as soon as possible, and second, because this is a rather sensitive territory. The issue here is a certain relationship toward India, a relationship that is rather tense between these two countries—there is a problem of Afganistan and Kashmir and all the neighboring territory here—that is why we do not consider the possibility of exporting weapons. [passage omitted]

[Calfa] [passage omitted] Understandably, China attentively follows developments in Central Europe, and I have to say that, as far as Czechoslovakia is concerned, the level of relations with China is at present the best when comparing it with the level attained by the other neighboring countries, Poland and Hungary in particular, where the decline in relations has been the deepest. We would like to reestablish our contacts. After the collapse of the Soviet market the Chinese market could replace it in some way. We, therefore, want to establish normal cooperation in the future, in particular in the economic area. [passage omitted]

[Calfa] We did, of course, react to the events involving students that occurred on Tiananmen Square. I personally believe, however, that this is currently a matter that has now been overcome by other events. All advanced industrial democracies have been establishing very close economic and political relations, whether it is the United States, Japan, Germany, and the EC states in general. I therefore do not think that we should not be among them. [passage omitted]

[Correspondent] The main aim of the Czechoslovak delegation in China was not to discuss human rights but an endeavor to increase our mutual economic cooperation, and here are the specific results:

[Calfa] The trade agreement, or rather the protocol on mutual exchanges, envisages a turnover amounting to US$500 million. We envisage that we shall secure a contract for the construction of a heating plan in Beijing amounting to US$120 million. A letter of intent about this trade transaction is to be signed tomorrow. Furthermore, China is to buy approximately 1,500 Tatra trucks that will be assembled in China and 2,000 already assembled ones. There are prerequisites that mutual turnover should be better next year. Naturally, it will not reach the level of 1988-89, but gradually an improvement should occur.

Slovak Cabinet Rejects Dam Guarantees to Hungary

LD0712204191 Prague CSTK in English 1538 GMT 7 Dec 91

[Text] Bratislava Dec 7 (CSTK)—The Slovak Cabinet today decided to send a message to the Federal Government in Prague saying that Czechoslovakia should not give any guarantees to Hungary that it will not complete its half of the controversial Gabcikovo-Nagymaros hydroelectric project on the Danube. Along with information on the December 1-2 negotiations between Czechoslovak and Hungarian govermental delegations, Slovak Premier Jan Carnogursky told journalists the statement said: "We should not guarantee our Hungarian partners that no work connected with a provisional solution will take place on our territory". Slovak ministers justified their statement by pointing out that Hungary is providing "no guarantees on any other kind of solution that is bound to their consent". Carnogursky said that if Hungary withdraws from the 1977 bilateral agreement on the dam, it will be a legal case in which the conditions under which a country has the right to withdraw from a treaty will be tested.

Originally agreed by the two countries in 1977, work on the Gabcikovo-Nagymaros hydroelectric project began in May 1978. Hungary stopped work on its side, in reaction to mounting pressure from domestic environmental groups, in August 1989. In Monday's negotiations, the Hungarian Government issued an ultimatum threatening to cancel the 1977 agreement if Czechoslovakia did not promise not to proceed unilaterally in the project. The Slovak Government decided in July to put Gabcikovo into provisional service starting in October 1992.

This temporary solution "remains an alternative that we are able and prepared to implement", Carnogursky said today. "But at the same time, the doors are open to an alternative (that involves) the Hungarian side".

The Government of the Slovak Republic is responsible for the construction of the dam, Carnogursky added, but the Federal Government also accepts its position on the issue.

Havel on Domestic, Ukraine, European Issues

LD0812193191 Prague Ceskoslovensky Rozhlas Radio Network in Czech 1315 GMT 8 Dec 91

[Interview with President Vaclav Havel by station editor Stanislava Dufkova in Prague Castle on 6 December: "Conversations at Lany"—recorded]

[Excerpts] [Dufkova] Mr. President, it is late Friday afternoon, and the working week is coming to an end. It is also coming to an end for you. To which event would you like to return? There have been many events.

[Havel] [passage omitted] I prepared my speech to the Federal Assembly rather carefully. I worked the whole weekend perfecting it. Despite this I must admit that it was not accepted unequivocally in the Federal Assembly. I have received reports that deputies were dissatisfied with it, that they were embittered and even hurt by a few things. I have more or less anticipated, and indeed had to anticipate, some of these critical and negative reactions. Others have surprised me a great deal, and I have realized once again that because we are continually seeking the identity of the presidential office, its new position in our democracy, so the Federal Assembly is also seeking its own democratic identity after long decades. We are thus continually seeking a relationship between the president and the parliament.

I have tried a few things. I gave breakfasts for deputies from various political parties. I met representatives of political parties. I invited individual committees and visited the parliament on several occasions and addressed it several times, but I still have to say that I have not yet succeeded in finding the best way of communicating with the parliament. Both the parliament and I feel this.

I am now thinking about a new form that I might try. The fact is that it has been shown that many suspicions and accusations can be very easily eliminated by personal conversation. How can one, however, talk individually with 300 deputies? Should I talk only with some of them and anger those others? What kind of key can one find? [passage omitted]

It is simply difficult to find a method of contact and to eliminate certain tensions that exist between the parliament and myself. Nonetheless, I continue to think about it, and it has been a particular burden to me this week. I think a great deal about how to eliminate this curious barrier that has been created between us. [passage omitted]

Perhaps I ought to add one thing to my proposals. I do not insist on the parliament approving everything I have proposed. The parliament is, of course, the highest body that will make a decision, amend and change a few things, and approve or reject this or that. I will not be offended. This is not at issue at all. A totally different thing is at stake. The issue is that our parliament—as it gradually passes laws in the sequence it receives them from the government or from the deputies and from the one who has the right to initiate them—the parliament works continuously, but as it does so, it appears to be escaping its attention that we have approached the 12th hour and that our state is really beginning to break up, that great dangers are threatening us.

My greatest concern is that it might happen in the spring—in February, March, or April—that the parliament will really become paralyzed for various reasons. We now hear, for instance, calls for an early election to the Slovak National Council. Let us imagine that an election to the Slovak National Council takes place in April. At present, it does not seem likely that the Slovak National Council will take such a decision, but nonetheless let us imagine that it will. What does this mean? It means that from the start of this election the political legitimacy of the Slovaks in the Federal Assembly, or rather of that political composition that exists among them, will become an even great problem. This means that two months after electing the Slovak National Council, citizens of the Slovak Republic will come again to the polls to elect the Federal Assembly. These all are great dangers, and we can lose our common state, not because we want to but because of carelessness, because of not being prepared for various alternatives that can occur. [passage omitted]

If my proposals are adopted in this or that form, or if some aspects of them are not adopted at all, I repeat, I shall not be offended. My concern is to ensure that there should exist some kind of elementary guarantees on the basis of our future constitutional setup. We cannot seek it in an obscure situation when the Federal Assembly, without perhaps sufficiently realizing it, is endangered to a certain degree. There is a real danger that some deputies will cease to attend it, will cease to take part in its work, and it will then be incapable of making a decision. And if elections are to take place successfully, we have to have an election law, we have to have a concept of the new shape of the federal representative bodies. This must be completed in January, otherwise we shall simply fail to meet the deadline, the more so if there is a threat of a constitutional crisis in the spring.

This is, therefore, the purpose of my proposals, and I shall watch with some anxiety to see to what degree the parliament will understand them, to what degree it will take over the initiative, and to what degree it will realize its responsibility for the breakup of the state for lack of vision and carelessness.

[Dufkova] Good, and what if the parliament fails to understand this?

[Havel] I believe in its collective wisdom. I also believe that it will realize the seriousness of the situation in which we have found ourselves and that it will react to it in one way or another.

[Dufkova] Mr. President, do you think that the Slovak side will insist also in the future that they wish to stay in our common state, in our federation, or was it just because of a budget issue?

[Havel] I would not suspect the Slovak representatives of intending to play a game about our common state in order to get more money for Slovakia and, at the same time, not wishing to have a common state. I rather think that this is a process of a political crystallization in Slovakia—the process of some kind of a self-discovery.

Slovak society has really found itself at some sort of a crossroads of its history. On the one hand, it does not wish to be ruled from somewhere else—it wants to have its affairs in its own hands, to a certain extent—but on the other hand, it understands the geopolitical, political, and economic purpose of our common state. Now it has to make some sort of a decision.

Some of the Slovak political representatives behave in a slightly ambiguous way; they give the impression that they want independence and at the same time also a common state. Nevertheless, I would not say that this ambivalence or ambiguity is only the result of self-interest, calculation, lack of resolve, etc. I think that this mirrors in a normal way the crossroads at which Slovakia finds itself.

[Dufkova] Last Sunday, the Ukrainians decided in favor of an independent republic. At the same time, Mikhail Gorbachev expressed fears about a war and possible split of the Soviet Union. There is a certain link between the two. Are we going to recognize Ukraine or not, Mr. President?

[Havel] As you well know, I am in favor of the citizens of a certain state entity deciding the form of their state existence themselves, in a proper and constitutional way. I am in favor of a referendum. Ukraine held a proper referendum, the result of which was unequivocally in favor of a sovereign, independent Ukraine. We have to respect this decision, and many countries of the world have already shown respect for it. In the next few days, we are also going to recognize the existence of independent Ukraine and will come to an agreement about our diplomatic relations. This is one side of the matter.

The other side of the matter is represented by President Gorbachev's fears. To a certain degree, I also understand these fears. As you well know, there are enormous Russian enclaves, as well as other national groups, in the Ukraine, and Gorbachev fears the Yugoslav type of development. And this would be much worse than in Yugoslavia if conflicts about borders and conflicts about autonomy break out within the Ukraine. The Ukraine is a country that has not been independent in recent history; it is a country that is going to define its independence from a historical point of view, in a new way. This is a country that has not had enough opportunities to form democratic mechanisms and institutions.

In our country, there is still some memory of a functioning democracy, but this is hardly the case in the Ukraine. This means that various fears that have emerged are not groundless and are justified. Nevertheless, this does not change in any way the fundamental fact that the Ukraine has made its decision and that it is necessary to respect it. We should hope that it will settle its various problems in a legal way, a constitutional and peaceful way, without civil conflicts, that it will award appropriate rights to the national minorities, that it will not provoke any violent border conflicts with the Russian Federation, that it will find a way to coexist not only with Russia but also with the group of states emerging on the territory of the existing Soviet Union—and it is necessary to contribute in every possible way toward this.

[Dufkova] A very important meeting will take place in Maastricht next week. Will it also affect us?

[Havel] Of course it will. We are a European country, and the meeting in Maastricht will be a truly historic one. The meeting will probably lay foundations for something that could be called the united states of Europe. The meeting will discuss a political union of the European Community, and its monetary union. The meeting will reach basic and binding agreements on the future of the 12-member group of states. We, of course, want our country to become a legitimate and full part of the emerging integrated Europe. In this connection, it is important that after elaborate—in effect, two-year negotiations—our association agreement with the European Community has been initialled.

It has become the custom in our country that, when something good happens, no one takes notice of it and people immediately seek a new controversial and dramatic subject, a new unresolved matter that elicits a great deal of attention among newspaper readers, much more than a dry fact that something has been achieved. The initialling of the agreements with the EC has gone through almost unnoticed. This is a matter that is perhaps also of historic significance. Next week Prime Minister Calfa, along with the Hungarian and Polish prime ministers, is to sign this association agreement with the European Community.

The fact is that this association agreement is opening up great opportunities in the future for our economic transformation, since it will facilitate our access to western markets and provide conditions for closer political cooperation. This is, in effect, the first small step toward possible future membership in the European Community. It will, of course, depend a great deal on the degree to which the European Community sees itself as an engine of the integrating Europe—continually creating around itself a certain field of attraction to which the new democracies would gravitate—and also on the degree that a somewhat isolationist tendency will triumph so that those who are better off will, as it were, close themselves off and erect a wall in an attempt to separate themselves from that curious, chaotic post-communist world.

At present, everything indicates that, albeit slowly and carefully, the idea of opening themselves up is triumphing. The West is beginning to realize that the issue at present is not only the East but also the West, and that at issue is the whole of Europe—whether it will be a continent of cooperation, stability, and peace, or an area of new confrontation and new conflicts. This time, however, it is not a confrontation between communism and democracy but a confrontation between rich and poor, between those who are prosperous and those who are antagonistic to each other, between those who are already at home in a democracy and those who are working towards it.

[Dufkova] Mr. President, do you believe that they will not be thinking only about themselves?

[Havel] From various talks, I have gained the impression that Western politicians have realized their joint responsibility for the continent. From time to time I, the prime minister, and other ministers have been criticized for traveling abroad too much. It has been said that we should stay at home and look after our enterprises and their indebtedness. These journeys have a big purpose, precisely because political talks bring us closer to the prosperous democratic European world. The fact is that one needs to repeat certain things many times over, not only here at home but also to Western politicians. Of course, each of them wants to win the next elections and to be elected, and they have to take into account particular local interests in their countries, the interests of French farmers and the like. Nonetheless, at a general political level, it seems to me that they realize their joint responsibility. This responsibility gradually finds its way, in a complicated and difficult fashion, into concrete political decisions.

Everything takes a long time; things need time. I have found out for myself, and this is how political processes work, that one must not be impatient and that one must work diligently on matters that will start bearing fruit, perhaps at a later time when we shall no longer be here. It is, however, necessary to think always about the more distant future, and not only about what will happen tomorrow or day after tomorrow; not what will happen in the Federal Assembly, but where Czechoslovakia will find itself in 10 years' time.

[Dufkova] Mr. President, you are talking now as a very peace-loving person. However, there is a war in Europe, in Yugoslavia. Will we recognize Slovenians and Croatians?

[Havel] During our last conversations at Lany, I talked about Advent and said that we are in a situation of expectation when something is forming itself, something is to be born, that it is a nervous, half-joyful and half-agitated expectation. I also mentioned the international aspects. By that, I meant exactly this—that is, that everything is indicating that at the forthcoming meeting at Maastricht or at some later meeting the leading European countries, that is the countries of the European Community, will make a decision about their future attitude toward the crisis in Yugoslavia. Everything indicates that it will be a decision in favor of recognizing the independence of Slovenia and Croatia. We have indicated very clearly several times that we will respect the common line of European countries in this matter, and this still applies. However, everything indicates that after this session, probably in December, probably as some sort of Christmas present, Slovenia and Croatia will be recognized, if not by all then by at least some countries of the European Community.

Of course, we will not hesitate and will be in the first wave of states that will do this, since it is becoming more and more clear that it is precisely this recognition that is one of the means to end the bloodshed in Yugoslavia, to halt the civil conflict, and to help the republics who are at the moment in a very disadvantageous position since they are neither a part of the existing and respected state of Yugoslavia—since Yugoslavia has de facto ceased to exist—but neither are they independent entities with all the specific demands that ensue from it. At this moment, it seems that one of the means—apart from sending peace-keeping forces there—is the recognition of those republics that decide in referendums to be independent.

Cabinet Approves Federal, Republic Budgets

LD0812220191 Prague CSTK in English 1851 GMT 8 Dec 91

[Text] Prague Dec 8 (CSTK)—The Czechoslovak Cabinet approved today at a special session a controversial proposal for the 1992 federal, Czech and Slovak budgets, foreseeing no deficit in the coming year.

Federal Finance Minister Vaclav Klaus told a press conference after the session that inflation is no longer "the number one danger" and that the budgets "are not restrictive".

Based on Wednesday's negotiations in Brno between President Vaclav Havel, Klaus, the federal deputy premiers and the premiers of the Czech and Slovak Republics, the cabinet proposes a 5,000 million crown (166 million USD) subsidy from the federation to the republics: 3,300 million crowns (110 million USD) to the Czech Republic and 1,700 million crowns (56 million USD) to the Slovak Republic, Klaus said.

The federation plans to recoup this outlay by increasing revenues from customs and import duties, according to Klaus. Investments on financial markets will also help pay for the subsidy, as well as covering any potential short-term deficits in the 1992 federal budget, he said.

"We cannot be overly satisfied with this budgets proposal", Klaus said, adding that due to rising social expenditures and the lack of opportunities for lucrative investment, there is "little room for maneuvering".

One part of the proposal approved today was an amendment of the unemployment law, cutting the period of state support to unemployed individuals from 12 months to six.

This issue will be further discussed at the December 10 meeting of the Federal Council of Economic and Social Agreement, the tripartite body of government, industry and labour representatives.

Federal outlays for social security will be 9.1 per cent higher in 1992 than the previous year, while expenditures as a whole will increase by 4.6 per cent, Klaus noted.

The government proposal also suggests increasing the rate of taxation on incomes of more than 10,000 crowns (333 USD) per month, according to Klaus.

SNR Rejects Slovak Government's Statement

LD0712120891 Prague Ceskoslovensky Rozhlas Radio Network in Czech 2000 GMT 5 Dec 91

[Report by Alexandr Pycha, station special correspondent in Bratislava, on final proceedings of 19th Slovak National Council session held in Bratislava]

[Text] At the proposal of Frantisek Miklosko, chairman of the Slovak National Council [SNR], the Council, in the end, did not adopt any resolution on the well-known Slovak Government's pro-federal statement. A motion put forward by the Meciar-led Movement for Democratic Slovakia [HZDS] also failed to be adopted. Under that motion, the Slovak Government should have declared that the Slovak Government's resolution was in variance with the resolution of the Slovak National Council and that it could not bind either the Council or the government. According to the HZDS motion, a continuation of this dispute would lead to voicing no confidence in the Slovak Government or its individual ministers.

A motion put forward by the Party of the Democratic Left also failed to be adopted. That motion called on the Slovak National Council to declare that it is not proper for the Slovak Government to assess the Slovak National Council because it is this very body that has the right to make decisions on constitutional matters. Slightly over one third of the Deputies present voted for the two motions.

Before the vote was taken, Frantisek Miklosko, chairman of the Slovak National Council, wound up his nervous and dramatic political debate. He repeated the standpoint of Slovak Prime Minister Jan Carnogursky, according to whom a Slovak National Council resolution is unnecessary because the Government has already agreed on new approaches to jurisdictions in the spheres of posts, telecommunications, and railways. Frantisek Miklosko also stressed that it would be inappropriate to upset the flexibility and dynamism of the Presidium of the Slovak National Council, which at present is not bound in negotiations with the Czech side by decisions of the whole plenum.

Frantisek Miklosko rejected calls for early elections by arguing that the Slovak Government is functioning and that the Slovak National Council is capable of adopting laws.

SNR Views Report on Breakup's Economic Impact

AU0912130891 Prague MLADA FRONTA DNES in Czech 4 Dec 91 p 2

["(vm)"-signed report: "The Division and Its Consequences"]

[Text] A report on the economic consequences of a possible division of the CSFR is on the agenda of the current Slovak National Council [SNR] meeting. We are publishing some data from this report:

In the part dealing with macroeconomics, the report draws attention to the fact that the division of the country would curb the influx of foreign capital to Slovakia. Even if a monetary union were established between the Czech Republic and the Slovak Republic, the Slovak Republic would incur a deficit in trade with the Czech Republic, a deficit that the Slovak Republic would have to pay in freely convertible currency, which would probably lead to the devaluation of the Slovak currency.

The decline in the Slovak Republic's [industrial] output after the division was estimated at 10 to 15 percent, and the price increase at 13 to 20 percent, compared with December 1991. The price increase would become even higher if the Slovak currency were devalued. The state budget deficit is estimated at 14.8 billion korunas. "However, this should be considered a fairly optimistic estimate." As a consequence of reduced trade with the Czech Republic, the trade balance deficit would increase. In an independent Slovakia, this would cause debt servicing to exceed 25 percent of the income from exports, which is considered to be the limit of tolerability. It would only be possible to cover the deficit with more credit from abroad, "which would be quite complicated due to the bad creditworthiness of the Slovak Republic as a debtor.

This situation would require a stricter administration of the foreign currency situation, that is, abolishing internal convertibility and imposing foreign currency regulation quotas. The report indicates that Slovakia would move away from the full convertibility of the currency that "is a prerequisite for full membership in the EC."

Despite the attempt at providing objective information, the analytical quality of the information contained in the report suffers from the fact that, in an overwhelming number of cases, data for the Slovak Republic was obtained by dividing the federal data by three (according to the 2:1 population ratio). Therefore, the difference in the performance of the Czech and the Slovak economies has been neglected, which particularly casts doubts on the calculation of the budget's incomes and expenditures and on the foreign trade balance.

The report also contains tables giving data that sometimes seems controversial. For example, goods produced in industry per worker is valued at 326,000 korunas per year in the Czech Republic and 354,000 korunas in the Slovak Republic (higher productivity in the Slovak Republic!?)

The average unemployment benefits paid in the first six months of 1991 are given as 946 korunas in the Czech Republic and 367 korunas in the Slovak Republic (!?).

Investment Slump in Czech Economy Reported

AU0612202091 Prague CSTK in English 1842 GMT 3 Dec 91

[Text] Prague Dec 3 (CSTK)— Investment in the first nine months of 1991 fell by 30 percent in all branches of the Czech economy except the power-engineering industry, where investment was up by one third.

According to a report which CSTK obtained from the Czech Statistical Office today, the biggest drop in comparison with the same period last year was in the agricultural, transport, and housing construction sectors. Investment in environmental protection was down 16 percent.

Total investment for 1991 is expected to be 34 to 36 percent less than in 1990.

[Prague HOSPODARSKE NOVINY in Czech on 4 December on page 2 carries a 100-word CSTK report on the Czech Statistical Office report. The HOSPODARSKE NOVINY report specifies that in the first quarter of the year investment in the Czech Republic was down 20.2 percent, in the second quarter 29 percent, and in the third quarter 34.3 percent; together, this represents a 30 percent decline for the first three quarters of the year.]

Paper Suspended Over Editorial Controversy

AU0512141691 Prague LIDOVE NOVINY in Czech 4 Dec 91 pp 1, 8

[Unattributed report: "A Suspended Newspaper"]

[Text] Readers of CESKY DENIK must have been very surprised yesterday when they read an extensive report by the publisher on the suspension of the paper's publication because of the conformist journalists' attitude toward their work. At a meeting called on the same day, however, CESKY DENIK journalists strongly objected to this accusation. The meeting ended in a raucous exchange of opinions bordering on personal insults. So far, the head of the edition [vedovci vydani], publication chief, production editors, and the entire foreign affairs section have resigned. Jan Vavra, the editor-in-chief, was fired on the spot, but, according to a legal expert, such a dismissal is not valid. The statement published below was signed by 39 members of the CESKY DENIK editorial staff.

The publisher, J. Kudlacek, announced that he had changed the content of the 3 December issue because he distrusts the editorial management. He admitted that he did so without the prior knowledge of the editors or the editor-in-chief. He confessed that while an overwhelming majority of the technical staff took his side in the conflict, only five or six of the 40 editors supported him. Josef Kudlacek said that the cessation of CESKY DENIK's publication is possible.

Statement issued by CESKY DENIK editors:

On Monday, 2 December 1991, without the knowledge of the editorial staff, the paper's publisher, J. Kudlacek, changed the contents of the 3 December issue. This happened despite the repeated confirmation at an editorial meeting on 2 December of the editor-in-chief's authority in editorial management and of his responsibility for the content of the newspaper. No possibility to suspend the paper or personnel changes have been mentioned. After the editor-in-chief and his deputy discovered the items "smuggled" onto pages 1, 3, and 7, and expressed their fundamental disagreement, their names were removed from the masthead of the second edition at their own request. The production director was absent, and he also dissociates himself from the aforementioned changes. The editorial management considers this intervention in the work of the editorial office the pinnacle of the incompetent and unqualified, yet dictatorial, decisions made by Mr. Kudlacek. We consider this approach to be thwarting our intentions to publish a liberal conservative and, especially, a dignified paper.

Antall, Jeszenszky Return From Moscow, Kiev Tour

Antall Notes Prospects for Ties

LD0712221691 Budapest MTV Television Network in Hungarian 1830 GMT 7 Dec 91

["Excerpts" from a news conference statement by Prime Minister Jozsef Antall on his return from talks in Moscow and Kiev at Budapest's Ferihegy Airport on 6 December—recorded]

[Text] The Ukraine does not wish to be a nuclear power, and the Ukraine is not averse to the nuclear-free zone idea, either. We consider it important for the Ukraine to join Poland, Czechoslovakia, Hungary—the Visegrad three—in not storing nuclear weapons on its territory. We are convinced of this, and this we did express. The Ukraine stating this clearly, together with a number of other issues, would only increase its international prestige and weight. Naturally, we also discussed the position of the Magyars in sub-Carpathia and received assurances, partly in the Ukrainian-Hungarian treaty itself, in the part concerning minorities. There are the elements of guarantees on the basis of which the Magyars must be guaranteed the appropriate human and minority rights. In case this does not take place or something conflicts with this, the Hungarian Government has the opportunity to raise this on the basis of the treaty, to mention it, and to take the appropriate steps.

The fact that Hungary was the first to recognize Ukrainian independence and raise its representation to the rank of a full embassy—the Hungarian Embassy is the first embassy in Kiev, and simultaneously with this we signed the treaties with President Gorbachev and President Yeltsin—is certainly of great symbolic and demonstrative significance. The admittance of the illegality and the unacceptable nature of the 1956 Soviet intervention was not only part of the Soviet-Hungarian talks but also President Gorbachev declared this publicly first and President Yeltin later. This will have suitable written documentation, as well.

This present trip and the 18 months which have passed so far, its results; the Warsaw Pact's dissolution; CEMA's dissolution—these three treaties and the withdrawal of the Soviet troops are sufficient proof and a good enough package to prove we have been conducting the right politics. There now can be a true friendship between these countries that is not forced. I think we can close a period, and we can now offer real friendship and free hands because the shackles have truly been removed from our hands.

Reviews Policy Toward USSR

LD0612234191 Budapest Kossuth Radio Network in Hungarian 2300 GMT 6 Dec 91

[Text] Prime Minister Jozsef Antall has arrived home from his visit to Moscow and Kiev, during which he signed the Hungarian-Soviet, Hungarian-Russian, and Hungarian-Ukranian state treaties.

The prime minister assessed his visit at a press briefing at Ferihegy Airport. He said that it has now been proved that accusations that the government was not carrying out an appropriate policy toward the Soviet Union and its republics were groundless. The treaty signed with Soviet President Mikhail Gorbachev is necessary. The treaty provided that if the name or the international legal status of the Soviet Union changes, the relevant points of the treaty will be changed accordingly. He agreed with Russian President Boris Yeltsin that the Russian Federation will take over the major share of Soviet debts to Hungary. The treaty with the Ukraine enables Hungary to make use of international legal instruments on behalf of the Magyar minority if their rights are not ensured despite the written undertaking, Jozsef Antall emphasized.

Jeszenszky Comments on Talks

LD0812003891 Budapest Kossuth Radio Network in Hungarian 1100 GMT 7 Dec 91

[Interview with Foreign Minister Geza Jeszenszky by correspondent Zoltan Tamasi "on the plane flying between Moscow and Kiev" on 6 December—recorded]

[Excerpts] [Jeszenszky] I disagree totally with the remark publicized recently that the assessment of Hungary has worsened in the Soviet Union, or in what was the Soviet Union. The current negotiations and treaties prove the opposite. They do really see that Hungary started the transformation in many respects. [passage omitted]

[Tamasi] There are one or two disturbing momentums. For example, there were reports on central, the number one, television channel news from Yugoslavia that were broadcast without checking [szueres], without even giving sources, which showed Hungary in a bad light. This is how it might appear that agricultural machines fly over from Hungary's territory, fly into Yugoslavia, and bomb it. Paratrooper units arriving from Hungary were rendered harmless, and so on. There are certain extremist circles which say that the Serbs are their Pravoslav brothers needing help and that everybody hurting the Serbs is their enemy. Was the issue of Hungary's real role raised in negotiations with President Yeltsin?

[Jeszenszky] The Yugoslav situation was discussed briefly, but I saw during the negotiations that our partners know Hungary's role well. Therefore, the responsibility of those information channels which, for the sake of sensation, provide one-sided information is enormous because I am also afraid that in a town, a village in the Soviet Union, people might think that the Hungarians are against the Pravoslav brothers. I consider this regretful, but what would be extremely unfortunate would be if the Serb public opinion too fell for these stories, and regretfully they do.

MDF Hails 'Eastern' Policy Success

LD0812002491 Budapest MTI in English 1910 GMT 7 Dec 91

[Text] Budapest, December 7 (MTI)—"The Hungarian Democratic Forum notes with satisfaction that the consistent Eastern policy pursued so far by the government has been crowned with success. The recent agreements, including the establishment of diplomatic relations with the Russian and Ukrainian republics, mark a breakthrough and set an example to the region's countries in creating co-operation based on mutual advantages and genuine friendship," says a statement adopted by the National Board of the Hungarian Democratic Forum (HDF) in Budapest today with regard to the visits paid by Prime Minister Jozsef Antall and Foreign Minister Geza Jeszenszky to Moscow and Kiev. "According to the National Board of the Hungarian Democratic Forum, the political part of the administration of historical justice should be closed after the adoption of the relevant bills by parliament," HDF executive Agoston Szekelyhidi told a press conference after the session. Journalists were told that the HDF national meeting scheduled for next weekend will be first of all a working conference, important from the political point of view insofar as it will be held at the half-time of the election cycle. The HDF spokesman denied rumours that HDF President Jozsef Antall wants to be elected as honorary president because of the pressure of many duties.

Jeszenszky Views SFRY, Ukraine Recognition

AU0612145691 Vienna DER STANDARD in German 6 Dec 91 p 2

[Interview with Foreign Minister Geza Jeszenszky by Erhard Stackl in Vienna on 5 December: "Learning From the Yugoslav Catastrophe"]

[Text] "What is happening in Yugoslavia is a terrible catastrophe, which we must learn from so that it does not repeat itself in the former Soviet Union," says Foreign Minister Geza Jeszenszky after having read a paper at the Vienna Diplomatic Academy on 5 December. The 50-year-old historian believes that in East Europe, which is disintegrating, regional cooperation will only be possible on the basis of new, sovereign states. He believes that the way the countries deal with nationalities and minorities is decisive for their democratic maturity. According to Jeszenszky, the disregard for these groups led to the war in Yugoslavia.

[Stackl] You said at one time that a solution to the Yugoslav problem must be found before Croatia and Slovenia can be recognized. What solution do you have in mind?

[Jeszenszky] The most important thing now is the end of hostilities, an end to the use of force. At the same time, a political solution must be found. The EC was right in trying to achieve a solution within three months' time. Unfortunately, not all sides were sufficiently ready to accept this. Non-recognition has not produced any result. That is why recognition should now be considered.

[Stackl] Because of the Hungarian minority in Serbia, your country is in a special situation. There were sharp verbal attacks from Belgrade. How is the situation along the border?

[Jeszenszky] We have not concentrated troops along the border. We do not want to create the impression that we expected military confrontation. Of course, we must take measures to protect our borders. We do not believe that Serbia or the Yugoslav Army are considering advancing into Hungarian territory. There have been more than 20 violations of our airspace, however, and the Hungarian Air Force is on alert. We must reassure the people and avoid any war hysteria.

[Stackl] Where Hungary is careful not to recognize Slovenia and Croatia, it was one of the first countries to recognize the Ukraine. Why this haste?

[Jeszenszky] The Ukraine is a sovereign state with a seat at the United Nations. With the people's free vote, self-determination and the requirements for recognition have been fulfilled.

[Stackl] How has the Hungarian minority in the Ukraine been treated?

[Jeszenszky] It has a very sad past. After 1944 the entire adult male population was forced into concentration camps. About 40,000 died. The Hungarians' situation has substantially improved in the recent past, and fortunately, the local majority population does not show any hostility.

[Stackl] People in Austria were very surprised at Budapest's recent decision on the world exposition.

[Jeszenszky] The Hungarian Government and I personally have always strongly favored the exposition. The Budapest city authorities used their right of veto. However, the parliament outvoted them by a two-thirds majority. We were not sure, but this majority was finally achieved. We are energetically continuing work in this respect.

Spokesman on Plans To Brief Cheney on SFRY

LD0812002191 Budapest MTI in English 1821 GMT 7 Dec 91

[Text] Budapest, December 7 (MTI)—"Although Richard Cheney will come to Hungary not because of the Yugoslavian conflict, in this situation no foreign personality in the security policy line can visit Hungary without receiving detailed information about the Hungarian aspects of the crisis," Colonel Gyorgy Keleti, spokesman for the Hungarian Ministry of Defence, told the daily "NEPSZABADSAG" in connection with U.S. Defence Secretary Richard Cheney's arrival on a two-day official visit to Budapest on Sunday. He will be the guest of

Minister of Defence Lajos Fur. "The fact that during this short time the U.S. secretary of defence will be meeting Prime Minister Jozsef Antall, Minister of Foreign Affairs Geza Jeszenszky and Minister of International Economic Relations Bela Kadar points beyond the limits of simple military policy," the spokesman said.

Rockets Found in 'Medical' Shipment From Chile

LD0912120291 Budapest MTI in English 1021 GMT 9 Dec 91

[Text] Budapest, December 9 (MTI)—Eleven tonnes of rockets worth some millions of dollars were seized by the security service in Budapest's Ferihegy Airport at Saturday night, NEPSZAVA said on Monday.

According to the information obtained by the Hungarian trade union daily, the rockets were dispatched from Chile as a "medical consignment." The arms were discovered when they were being loaded from the aircraft into trucks. Seven people suspected of being involved in the illegal arms delivery have been arrested. Most of them are German speaking. The arms should have been delivered to their "destination" via Yugoslavia. Should the prosecutor's office propose taking the arms smugglers into preliminary custody, they will be brought to trial today, NEPSZAVA says.

Horn Discusses Resolution of Romanian Relations

AU0912122391 Budapest MAGYAR HIRLAP in Hungarian 6 Dec 91 p 3

[Interview with Gyula Horn, chairman of the Hungarian Socialist Party and of the National Assembly's Foreign Affairs Committee, by Tibor Bogdan in Bucharest; date not given: "No Solution on a Bilateral Basis"]

[Text] "Hungarian-Romanian relations were at the center of all our meetings; we even returned to this issue if we happened to be talking about the international situation," Gyula Horn told MAGYAR HIRLAP. Horn was leading a Hungarian parliamentary delegation to Bucharest for three days. Horn added: "In any case, they examined even the most delicate problems with the greatest honesty."

[Bogdan] Did you manage to make any progress?

[Horn] Yes. This time, we were at least able to state our opinions openly, and we were able to raise the questions that interest and preoccupy us, even if we were not given any concrete answers to these questions most of the time. Nevertheless, I want to repeat that we could state everything openly, and given that there were a lot of people on the other side of the negotiating table, they may even have reflected on all the things we said.

[Bogdan] It is a well-known fact that excellent relations have developed between the armies of Hungary and Romania. Can we expect similar relations to develop between our parliaments in the near future?

[Horn] Already during the Romanian parliamentary delegation's visit to Budapest in April, we agreed with our negotiating partners that every time a serious problem arose between our countries, we would immediately contact one another. At the time, I also asked them not to close the report dealing with Romanians in Harghita and Covasna Counties—or at least not to present this report to Parliament—until they had consulted with us. This time we also agreed that, in the case of a similar conflict or serious problem, they should discuss issues that affect our bilateral relations with us before developing a stance or reaching any kind of decision. We believe that this does not represent the slightest interference in each others' internal affairs; I hope that the Romanian side will agree, although I am not so sure about this.

[Bogdan] Do you foresee any concrete, real chances for an important change or significant improvement to take place in the near future to modify the currently rather tense Romanian-Hungarian relations?

[Horn] To be quite honest, I do not foresee any great chances of this happening in the near future. I think that in this present situation, we should use a tactical approach of small steps. In this process, I would include efforts to convince the Romanian side that Hungary does not have any hostile intentions toward Romania. We also have to make our eastern neighbor understand that Hungary's security cannot be handled as an isolated element, and that we do not want to establish our country's security vis-a-vis Romania. By this I mean that, if NATO were to sign any kind of an agreement with us—and with the CSFR and Poland—I would think it a good idea if it did the same with Romania. I think that the tensions in Hungarian-Romanian relations can only be resolved if various international organizations play an active role in the process. Indeed, it is hard to imagine a solution on a bilateral basis. Naturally, this does not, in the least, mean that in the future, we will not need the bilateral efforts that bring us closer.

CSFR Charges of Stalling Bos Talks Denied

LD0712091791 Budapest MTI in English 2111 GMT 6 Dec 91

[Text] Budapest, December 6 (MTI)—The Czechoslovak allegations Hungary stalled the Bos-Gabcikovo hydroelectric dam talks were denied by Hungarian Environment Minister Sandor K. Keresztes and Minister Without Portfolio Ferenc Madl in a recent lettter.

The ministers said Hungary is doing its best to break the deadlock.

According to a 4 December open letter by Czechoslovak Environment Minister Josef Vavrousek, after halting construction of the dam, Hungary has submitted no alternative proposals to make use of the dam system.

There was an atmosphere of mutual distrust during the latest intergovernmental talks, Vavrousek claimed in the letter.

The letter says before talks on 2 December, both sides accomplished a lot trying to find mutually acceptable solutions.

The sides had earlier confirmed intentions to set up a joint committee to examine professional and scientific aspects of the problem. At the 2 December talks, the delegations agreed both sides may question the committee.

Contrary to Vavrousek's letter, the Hungarian delegation has not asked to halt all the construction works in general. The proposal concerned only the works not corresponding to an interstate agreement concluded in 1977, the Hungarian letter says.

The Hungarian ministers expressed goodwill and hope for a professional and scientific cooperation in the hydro-electric dam issue to start in the near future.

Martonyi Moved From Economy to Foreign Politics

AU0712164091 Budapest NEPSZABADSAG in Hungarian 4 Dec 91 pp 1,2

[Interview with Janos Martonyi, administrative state secretary at the Ministry of Foreign Economic Relations, by Zsuzsa Gal; place and date not given: "Janos Martonyi at the Gates of the Ministry of Foreign Affairs—Simply, This Is a New Task"]

[Text] As we have already indicated, Janos Martonyi, administrative state secretary at the Ministry of International Economic Relations [NGKM], has been nominated for the same position at the Foreign Affairs Ministry. This is a surprise because Martonyi is decidedly an economic expert. Previously, he was a government commissioner for privatization, and now he is deputy chairman of the board of directors of the State Property Agency [AVU].

[Gal] How did you receive the nomination to the post of Foreign Affairs Ministry state secretary?

[Martonyi] I have considered it and deliberated on it and decided to accept the nomination. I may be useful in this new position. This is not a step forward or backward but simply a new task that I will try to solve according to my humble abilities.

[Gal] Do you simply fulfill a request or do you have ambitions?

[Martonyi] Undoubtedly, there was a request, and I am interested in foreign policy just like everyone else. We have always been a little engaged in foreign politics in the NGKM; we have been trying to speed up our integration in Europe for a year and a half, and to help encourage foreign investments, we are building a country-image—this is nothing but foreign policy.

[Gal] It is true that you have held several lectures on these issues abroad, nevertheless, you are an economic expert.

[Martonyi] Modern diplomacy mainly needs experts.

[Gal] What are your plans when entering the Foreign Affairs Ministry?

[Martonyi] It is too early to talk about that.

[Gal] Is your departure from the NGKM connected to the possible merger of the two ministries of trade?

[Martonyi] There are only guesses as to the future of the NGKM. My departure has nothing to do with this.

[Gal] Was it the foreign affairs minister who asked you to fill the post of state secretary?

[Martonyi] It was the prime minister.

[Gal] Did you talk to [Foreign Affairs Minister] Geza Jeszenszky about this issue?

[Martonyi] I did not talk to him about this issue.

[Gal] How did your appointment happen?

[Martonyi] I do not want to talk about the details. I can say as much that I was satisfied with my position, and I got on well with the minister for international economic relations and the board of directors of the AVU. Dissatisfaction did not motivate me, and I am sorry to leave both areas. However, one cannot do everything.

[Gal] Pardon my question, but it appears to me that no one could be found within the Foreign Affairs Ministry who would have met the political requirements.

[Martonyi] I do not see it this way. In my view, the Foreign Affairs Ministry also needs experts. Actually, my original professional area is international law. I do not accept the notion that only career diplomats can have this kind of expertise. Moving someone across from the area of foreign economy to foreign policy or vice versa is a relatively logical decision in any country. I could quote many examples. Many of my friends also said that they thought I would get here. I never thought about it, but I do not feel this is an extraordinary or a forced measure.

[Gal] Are you also leaving your post in the board of directors of the AVU?

[Martonyi] I will probably stay for a few months, but I will gradually hand over my affairs from the beginning of 1992, and I will cease to be a member of this body in two or three months.

[Gal] This is a considerable loss for the area of privatization because you are almost the last experienced expert in the board of directors, and all actual decisions are made by this body.

[Martonyi] You see, privatization cannot be stopped anymore; we will soon reach a critical level, and self-privatization is also spreading. My only wish and hope is that only a very small group remain in long-term state ownership.

[Gal] Are you happy to start your new job?

[Martonyi] This is a new task. I will be happy to start it if I am appointed.

Somogyi Discusses Resignation, Ministry Changes

LD0812023491 Budapest Kossuth Radio Network in Hungarian 1500 GMT 7 Dec 91

[Interview with Ferenc Somogyi, former administrative secretary of state, by correspondent Tamas Frey; place and date not given—recorded]

[Excerpts] Heads rolled in the Foreign Ministry this week. Some people say this is the start of a purge in which the government is striving to rid itself of civil servants inherited from the reform-communist government. [passage omitted] Ferenc Somogyi resigned from his post as administrative state secretary, after the dismissal of two of his colleagues. [passage omitted] Tamas Frey interviewed him:

[Frey] [passage omitted] Was it Geza Jeszenszky or Jozsef Antall that personally suspended the two deputy state secretaries, in your opinion?

[Somogyi] It was Geza Jeszenszky who told me.

[Frey] I ask this only because the reading that a lot of people consider acceptable is that it was actually Jozsef Antall who decided this, and that behind it all, in fact, is Ivan Baba, who is replacing the two dismissed secretaries, if for no other reason than that Ivan Baba is now allegedly one of Jozsef Antall's closest foreign political advisers. Is this so?

[Somogyi] Ivan Baba's name as a possible successor to the two dismissed state secretaries did indeed arise. The rest is speculation, so I would not enter into it. [passage omitted]

I would like to mention that one of the main reasons for my resignation was that I felt that a situation had evolved in which many people could not or did not dare to express their professional opinion...

[Frey, interrupting] This sounds a little diplomatic. Are you referring to what happened last week at the Foreign Ministry's diplomatic meeting, where you listed your problems and your justifications for resigning, and where not one of the several hundred diplomats present who agree with you in one-on-one conversations dared or wanted to speak out?

[Somogyi] When I say, could not express their opinion, in general that is to be understood to mean that in very many matters decisions are made with the avoidance of those concerned. Therefore, they simply do not have the opportunity to express their opinion. As far as the diplomatic meeting is concerned, the impression I formed was that the reason why others besides the minister and those concerned did not speak was because, on the one hand, the minister did not submit a concept that could have been defended, and on the other hand, those who agreed with the standpoint that we expounded, they might have sensed from the atmosphere that it was not expedient to speak out in support of our standpoint.

[Frey] In other words, they were afraid.

[Somogyi] You might put it like that.

[Frey] How do you see it? How far can one expect subjective decisions, decisions made in a narrow sphere, on important strategic Foreign Ministry issues? Or could the tendency that cut you out of the Foreign Ministry's leadership lead to a situation where decisions are made without control, making the possibility for error greater?

[Somogyi] I feel this is a real danger. After all, another less than normal operation of the apparatus, operational disorders, could very easily lead to a situation where faulty political decisions could come into being.

Smallholders Said Lacking Patience With Partners

LD0812002991 Budapest MTI in English 2022 GMT 7 Dec 91

[Text] Budapest, December 7 (MTI)—"The Smallholders' Party has run out of patience towards its pro-government partners, mainly the Hungarian Democratic Forum," Jozsef Torgyan, president of the Independent Smallholders' Party, said at today's party conference in Zalalovo, western Hungary. He announced he would convene the national board for January 11, 1992 to discuss the question of withdrawal from the coalition. This deadline also concerns the prime minister who can still provide for the assertion of the smallholders' coalition rights. Torgyan confirmed they would lay down their political demands to be met by February 29, and should these be not taken into consideration, on the last day of February they will take huge masses to the streets of Budapest.

* * *

The issue of the suspended coalition talks (Hungarian Democratic Forum, Christian Democratic People's Party, Independent Smallholders' Party) also came up at HDF's Saturday [7 December] national board meeting in Budapest. Speaking to journalists after the session, HDF spokesman Agoston Szekelyhidi said that the actual discussion has ceased, given that it was going on between the Party leaders and parliamentary factions, but now the Smallholder Party's internal affairs call into question the date of further talks. Szekelyhidi expressed the hope that the Smallholders' Party with long-standing traditions would live up to its tasks.

Spokesman Gives Briefing on Inflation Figures

LD0612193691 Budapest MTI in English 1557 GMT 6 Dec 91

[Text] Budapest, December 6 (MTI)—October's inflation rate edged up a modest 1.3 per cent compared to September, said senior government counsellor Janos Cinkotai addressing the government briefing. Inflation, the government believes, will hit a ceiling of 35-36 per cent, and back down to 20-25 per cent in 1992. Hungary has the lowest inflation rate among the former socialist countries. The price rises early next year are expected to be half of last January (4.9 per cent) and February (3.7). The recent forint devaluation (5.8 per cent) is anticipated to only raise next year's price level by 0.3 per cent.

In another development, spokesman Judit Juhasz read out a statement on the World Federation of Hungarians (WFH) saying recently several foreign-based Hungarian organizations have contacted the government hoping to renew the WFH. The government would support a comprehensive, Supra-party organization based on democratic principles coordinate relations between Hungarians abroad and the parent country. For the WFH to fulfil this role, it must shed its past heritage and renew its organization with the broadest starte of ethnic Hungarian living abroad.

Problems Facing Agricultural Sector Viewed

AU0712182891 Budapest MAGYAR NEMZET in Hungarian 4 Dec 91 p 9

["H.L.I."-signed report on evaluation of the state of agricultural income made by Tibor Huszein Nagy, general secretary of the Agrarian Association: "Catastrophic Situation of Agricultural Income—A 'Balance' of the Agrarian Association"]

[Text] The Agrarian Association repeatedly warned of the coming danger last year, but no one listened. However, this body stubbornly continues to believe that it is worth sending its analyses to government members, competent officials, and the media, analyses prepared by this body's experts that also uncover the reasons behind the problems facing the Hungarian agriculture and come up with proposals for a solution. All this because, as they warned during their news conference held on 3 December, the agricultural sector will not survive another year like this one!

Summing up the current year in agriculture, Tibor Huszein Nagy said, among other things, that, according to their calculations, the Hungarian agriculture will achieve a level of production almost identical with that of last year, including a 7-8 percent drop in animal husbandry, and a 7-8 percent increase in plant cultivation, compared to last year figures. Income from food exports is expected to exceed $2.5 billion, and the balance is expected to exceed $1.8 billion, and this amount covers the interest payments on Hungary's debts. However, despite these positive figures, the agricultural sector is now in a catastrophic income situation.

Tibor Huszein Nagy justified this serious statement with the following: "Producer prices remained the same, despite the increase in food prices, but the price of industrial products and energy used by agriculture increased by more than 40 percent. As a result, the producers suffered a considerable loss of prices manifested almost everywhere in a drastic drop in their income, the depletion of some producers' entire property, and subsequent bankruptcy. Wages in the agricultural sector decreased by some 15 percent, compared to last year.

"Most producers were forced to sell their products for credit in the middle of this year, and half of the existing agricultural cooperatives are now demanding their money from the buyers, but they cannot pay, either. Due to lack of funds, many farms are unable to carry out or finish the autumn work. The empty treasury forces many farms to institute irrational saving measures that are threatening the future; for example, the use of chemical fertilizers this year will hardly reach half of the low amount used last year. At the same time, cooperatives have considerable debts, and only their interest adds up to more than 15 billion forints."

According to Tibor Huszein Nagy, it could transpire after a realistic balance taking everything into consideration that this sector's losses will be bigger than its achievements. It does not seem that the government policy of increasing the burden on the agricultural sector will change next year. The new bill on taxes proves this, because nowhere else in the world can we see a similar taxation for agriculture and other economic sectors; moreover, the plans to place higher taxation burdens on agriculture than on industry are unique; the only goal of the proposed land tax is to increase the budget income.

The Agrarian Association is clearly dissatisfied with the activity of our parliament because the economic laws needed for the planning of this sector's future have not yet been legislated. In addition to many other laws, we lack a land law, a law on cooperatives, and a law regulating the market. Politics encourage the village to start ventures and promises compensation, but it does not clearly formulate the role of agriculture and its relations with the budget in the future. Will it be worth investing money and creating ventures here?

Olszewski Elected Prime Minister by Sejm Majority

LD0612211891 Warsaw PAP in English 1932 GMT 6 Dec 91

[Text] Warsaw, Dec. 6—Former Solidarity lawyer Jan Olszewski on Friday was elected Poland's prime minister by the Sejm (lower house) after President Lech Walesa nominated him for this post on Thursday.

A total of 250 deputies voted for Olszewski's appointment, 47 were against and 107 abstained from voting. The votes against came mostly from the Democratic Left Alliance MPs [members of Parliament] while the Democratic Union deputies abstained from voting. The decisive support for his election came from the five-party coalition which proposed him for the post.

Addressing the House before the voting took place, Olszewski said he was aware of the difficulties his government will have to face. "The economic situation of the country is such that no government can count on quick or easy success. Perhaps ... It cannot count on any success at all for a long time," he said.

"We will have to, and this applies to any government to be appointed, appeal once again to society which has been already so badly experienced, for further sacrifice. We would like, however, such sacrifice be fairly shared," Olszewski went on.

Olszewski promised that the first operating principle of his government will be to give the people a real hope and one measurable in time. He also told the house that so far his five-party coalition has not discussed the possible composition of his cabinet. "We do not want to distribute portfolios and we do not want portfolios to divide us," he said.

"We see the future cabinet as a supra-party one but at the same time based on definite, stable political grounds...It should be a government of experts, both professional and moral...This must be a government of clear intentions and clean hands," Olszewski stated.

Olszewski, a member of the Centre Agreement (PC), replaces Jan Krzysztof Bielecki of the Democratic Liberal Congress (KLD) whose resignation was accepted by the Sejm on Thursday.

Soon after his appointment the new prime minister told reporters he will start his-cabinet forming mission "immediately" and would like to see President Lech Walesa as soon as possible.

Meanwhile, presidential spokesman Andrzej Drzycimski announced on Friday that the president will meet the new prime minster most probably early next week and stressed that the president's decision to nominate Olszewski for prime minister was a consequence of the "democratic direction of actions taken during the long preparations for forming a coalition."

Olszewski, a former Solidarity lawyer who defended anti-communist activits in major political trials over the past 30 years, was first asked by Walesa to form a cabinet in December 1990, but resigned from his mission as a result of his controversy with Walesa over the role of Leszek Balcerowicz in the future cabinet.

The coalition which proposed Olszewski for prime minister includes his Centre Agreement Party (PC), Liberal Democratic Congress (KLD), Christian National Union (ZCHN), Peasant Agreement (PL) and Confederation for an Independent Poland (KPN).

Addresses Sejm

LD0612155191 Warsaw Radio Warszawa Network in Polish 1121 GMT 6 Dec 91

[Speech by Prime Minister-designate Jan Olszewski at Sejm session in Warsaw—live]

[Text] Mr. Speaker, may it please the House: By the will of the president of the republic, expressed in the letter read by the speaker of the Sejm, I stand before you, ladies and gentlemen deputies, asking for your trust as candidate for the office of prime minister of the first government that is to be appointed by this first for over half a century free Polish Sejm. [applause]

This is an enormous honor. I have the feeling that it is one I do not deserve. The president of the republic was certainly conscious of that—which is also my conviction—that in this chamber, and outside of it, there are many personalities more worthy than me of this honor. But the president selected me because of the fact that the coalition of the five groups of deputies that constitutes the most numerous political group in this Sejm decided to put forward my candidacy. The president indicated to us all the necessity of absolute adherence to the rules of democracy. I feel that this stance is also obligatory for me. And that is why I stand before you, ladies and gentlemen, deputies, asking for your trust.

In this chamber yesterday, Deputy Bugaj warned us against not sufficiently appreciating the difficulties that the dramatic economic and social position of our country brings with it. I can only confirm the justness of this warning. I am fully aware of just how dramatic and difficult the situation is, just how far, how unimaginably difficult will be the tasks that will stand before this government that is to face up to the difficulties. The road of every government that will be chosen here and of every prime minister's government will not be a path strewn with roses. This will be a path of thorns. I am fully aware of the fact that the honor that has befallen me also burdens me with an enormity of responsibility.

Ladies and gentlemen deputies, [words indistinct] I turn to you, and I turn to all the groupings in this chamber, all the democratic groupings, for support. I wish that we could have full awareness of those rules of the game that the government, that I, will strive to create, to form, that we will want to adopt as our own. The economic situation of the country is of such a type that no government can count on fast and easy successes. It could be that for a certain period of time, perhaps even a longer one, it cannot count on any successes.

We will have to—and this fact applies to every government that will emerge here—appeal once more to our so very care-worn society for further sacrifices. We would, however, wish that these sacrifices are justly spread, that they include everyone, that it not be the case that only certain social milieux are particularly burdened with this. I am thinking here, in the first instance, of that milieu that is very close to me personally, that has carried such great achievements in our victory, in the smashing of the totalitarian system. I am thinking of the workers' milieu, which is threatened today with unemployment, poverty, and the worst thing, hopelessness. I am thinking about the Polish farmers who are experiencing difficult times in their overwhelming majority, and who for tens of years, after all, defended their land and their workshops with such self-sacrifice, who are in the whole of eastern Europe the most numerous, the most consolidated, and the most experienced class of private entrepreneurs.

Mr. Speaker, may it please the House. The government, every government, I stress, that will be appointed, can promise little for the coming period, if it does not want to escape to easy promises, to so many people particularly touched by the turmoil of the reconstruction of our system, the turmoil involved in leaving communism behind.

And that is why it is necessary that we have complete clarity as to what the prospects are, what we are moving toward—whether just to the construction of such a systemic pattern in which prosperity will be shared by a small part of society, or rather to such a pattern, such a social model that offers an opportunity to all milieux. It will be the first principle of activity of the government that I desire to form—if we can give nothing else for the time being—to give this society real hope, real and measurable in time. If I gain your trust, ladies and gentlemen deputies, then I will strive to present the position of the government in this respect in the expose that I will present together with the composition of the cabinet. And today I would just like to say that for many weeks, from the moment when the coalition of five political groupings from this Sejm put forward my candidacy, I and my colleagues are constantly asked by the interested and by the press how we imagine this government will look in terms of its composition—who will take which post. I would like to say here, from this spot, that hitherto, at our numerous meetings, many hours of long discussions, not for a single minute did we speak either about portfolios or about sinecures. We do not want to divide portfolios; we do not want that these portfolios divide us. [applause]

It is the agreed position of this coalition, to which we have given expression in a public statement, that we imagine the future government as a cabinet that is over and above parties, although resting on a specified, stable political base. As a cabinet within whose framework there will work people of different political pedigrees, but those who are united by a mutual strong will to cope with these gigantic difficulties that are ahead of our country, ahead of our homeland. [as heard]

This should be a government consisting of people who have authority, substantive and professional authority, also including moral authority. This should be the government that has a moral credibility, because the government that will demand new sacrifices from society—and it will have to demand those—then such a government must be beyond any suspicion as far as its intentions are concerned. This must be a government of clear intentions and clean hands.

If, ladies and gentlemen deputies, you decide that I deserve your acknowledgment, then I will try to create such a government. Thank you. [applause]

Holds News Conference

LD0612213191 Warsaw Radio Warszawa Network in Polish 1510 GMT 6 Dec 91

[News conference with Prime Minister Jan Olszewski and unidentified correspondents after Sejm session in Warsaw—live]

[Text] After approving the candidacy of lawyer Jan Olszewski for the post of prime minister, a nervous back and forth began in the Sejm. The beginning of a special news conference was announced and called off several times. At last, however, lawyer Jan Olszewski met journalists. Our man was there [words indistinct].

[Correspondent] Journalists did indeed have to chase after lawyer—now prime minister—Jan Olszewski in the Sejm today. [passage indistinct] In the end, the conference took place. I would like to apologize to listeners for the quality of the recording, because it was made a bit on my knee, and the conference ended fifteen or twenty minutes ago. [passage indistinct]

[Olszewski] Unfortunately, it cannot last longer than 30 to 35 minutes—I warn you in advance.

[Correspondent] (?Your speech) in the Sejm today and other statements you have made show that you are a man of the left or, in any case, of leftist sympathies. How has it happened that you, admitting such views, are at the same time the candidate for prime minister of the center-right Five?

[Olszewski] First of all, it is you who has made an assessment of my ideological profile, and I do not want to get into a polemic, for it is a question of assessment. However, well, in every—even the most right-wing—company, somebody always has to be on the left. Apparently, I am the most left-wing in this government.

[Correspondent] You say that you do not want to answer questions about personalities.

[Olszewski] For the time being, we are talking about principles. One can talk about personalities when names are mentioned. In my Sejm speech today, I said very clearly that in the coalition's talks, in the talks of the Five, until now, we didn't speak for even one minute about individuals, about personalities, about names. In any case, I completely and consciously put off that issue. Members of the coalition understood perfectly that such talks (?to determine) the structure of the future government, which I [words indistinct] in my speech today—that I could only start to conduct such talks when I received the appropriate authority. Now I have that authority, of course, and we can get down to those talks; with the proviso, ladies and gentlemen—you yourselves understand, ladies and gentlemen—I understand that (?you feel) that there is a difference between our and your interests as journalists, but these are matters that, up to the moment when we reach some agreements, must remain [word indistinct].

[Correspondent] [passage indistinct]

[Olszewski] The president, in accordance with his normal permanent working timetable, went to Gdansk early this afternoon. Therefore, my talks with the president will take place Monday at the earliest. I have been cooperating with President Walesa, with Mr. Lech Walesa—for I met him before he became president—for almost eleven years. Throughout that time, I was able to work out certain criteria for that cooperation, and I can tell you, sir, that I don't take this, knowing the president's unconventional style, as a matter of personal affront.

[Correspondent] What is your vision of Poland? How would you like our state to look in ten or, say, seven years?

[Olszewski] I'd like it to be a normal state: a normal, European country, like Poland was—as I still remember—not in the pre-war years because I have only faint memories of then, when I was a child—but in the immediate post-war years. I think that five or six years [words indistinct] should be enough for us to return to that normality.

[Correspondent] What will the economic program [word indistinct] look like?

[Olszewski] The issue of an economic program has been and still is the subject for discussion by the experts representing the Five. Certain joint planes of that policy have already been [word indistinct]. I am not taking a direct part in these discussions now, but I am being kept informed all the time of their results. I'm convinced that, on the basis of the achievements up to now, such a program, a joint program, will be able to be drawn up.

[Correspondent] In spite of your fairly strong forces, do you not feel any fear in taking this post?

[Olszewski] You know—I would like to tell you quite frankly I do not think of this as a position because—to tell the truth—the wages, even those of a prime minister—are, at the moment, of such an order that this is not—when compared with earning possibilities—a particularly alluring occupation. I am treating it simply as a task, a task that has—so to speak—fallen to my lot and that one cannot—can one?—shirk.

[Correspondent] Mr. Leszek Moczulski said that he would ask you to give him the portfolio of national defense minister.

[Olszewski] Chairman Leszek Moczulski has not as yet approached me with this request.

[Correspondent] Will you and, if so, to what extent, take advantage of the experiences of Deputy Prime Minister Balcerowicz in the field of economics?

[Olszewski] There is no question that I will have to take advantage of certain experiences—we, as a government, will have to take advantage of certain experiences; this will arise, inter alia, from the necessity of restructuring—to put it as delicately as possible—the 1992 budget—which is linked to the collapse of the system of public financing.

[Correspondent] How will you implement decommunization as prime minister?

[Olszewski] The [word indistinct] of decommunization—and here I would like to take the opportunity to say that this subject is becoming, ladies and gentlemen, almost an obsession with us. I am constantly being asked about it, I am constantly explaining it, and yet the questions keep coming. I feel that I shall devote more time to the subject of decommunization in my expose, when I shall be presenting the composition of the Council of Ministers to the Sejm. Since I would not wish my position on this matter to be subjected to any simplification or distortion—such as so often happens, often and persistently—I would, in answering this question, have to make a longish speech. So perhaps you will permit me, ladies and gentlemen, to avoid giving you an answer today; you will have your answer, much more broadly given, in my expose.

[Correspondent] The government is meeting today at 1300. You ought to be chairing that meeting. Will you be doing so?

[Olszewski] I have, of course, formally, at this moment have—in two and a half hours I shall probably have the nomination for the post of prime minister—but you understand, ladies and gentlemen, that I am to be the prime minister of a future government that is only in the process of being formed. If I were, at this moment, to take over the leadership of the officiating Council of Ministers—which is still performing its (?duties)—this would be not only irrational but downright silly.

Wants Image of Great 'Openness'

LD0812005791 Warsaw TVP Television Network in Polish 1615 GMT 7 Dec 91

[Interview with Prime Minister Jan Olszewski by unidentified correspondent; place and date not given—recorded]

[Text] [Correspondent] Which factor will be the one that will persuade the opposition of your worth and that of your government?

[Olszewski] There will be different factors for different groups. I hope to convince them, because I would like to apply the formula of the greatest possible openness.

[Correspondent] Did finding yourself in the Council of Ministers building make you feel even more responsible for governing the country?

[Olszewski] I felt this responsibility before, as well, and my presence here is brought about by the rather absurd legal state that exists at the moment in our constitutional law, namely that the prime minister-designate, such as I am, automatically causes the stepping down of the prime minister of a government that remains in office. This is a rather absurd and—for me and for Prime Minister Bielecki—rather uncomfortable situation, but one to which we tried to find a solution and to which we have found a solution, I think.

[Correspondent] Mr. Prime Minister, just one more thing that everybody is asking: How long will things remain bad in Poland?

[Olszewski] Madam, in all honesty, I must say that, despite the fact that things are bad, perhaps—I will use the (?well-known) phrase of Witos—things will be even worse, things could become even worse. Actually, it is fairly likely that the situation will become somewhat worse, but I hope that it will be as in the Jewish saying: When it is so dark that it cannot become darker, then it must become lighter. I believe that that is where we are now, when it is as dark as it can get.

Cabinet Meets on 1991 Budget Law Amendments

LD0712224691 Warsaw PAP in English 1951 GMT 7 Dec 91

[Text] Warsaw, Dec. 7—The outgoing cabinet met here Saturday to bid farewell to the former Prime Minister Jan Krzysztof Bielecki and welcome the newly appointed Prime Minister Jan Olszewski, and work out amendments to the 1991 budget law. In line with the Parliament's ruling, the cabinet will continue its work until the new one is apppointed. Olszewski authorized Deputy Prime Minister Leszek Balcerowicz to supervise the work of the Council of Ministers for the transitional period. The amendments to the budget law as proposed by the cabinet envisage the increase of the 1991 budget deficit to 31 trillion 50 billion zlotys (around 3 billion U.S. dollars). This results from the need to earmark additional means for the social security fund, above all the revalorization of old-age and disability pensions. The deficit will have to be financed by an 18.5 trillion zloty (one and three quarters billion U.S. dollars) loan from the National Bank of Poland (NBP).

The ministers also acquainted themselves with the financial consequences for the state budget if the tribunal of state finds the charges against the pension law of October 1991, justified. If so, it would cost the budget 1.2 trillion zlotys still this year, and about 12 trillion or more next year. The cabinet agreed its further work on a report of the condition of the state. While saying goodbye to Jan Krzysztof Bielecki, Foreign Minister Krzysztof Skubiszewski, speaking on behalf of the entire cabinet, pointed out to Bielecki's efficiency, determination and reform-mindedness as precisely those features of his character and mind that are most needed in the difficult period of structural transformations in the country.

Earlier on Saturday, the outgoing prime minister accepted the resignation of Andrzej Zarebski as the government press spokesman.

Jan Olszewski is going to start consultations on the formation of the new cabinet on Monday, and will see President Lech Walesa early next week, Olszewski's secretary announced. Olszewski, who pledged to hold frequent news conferences, told newsmen that his "formula of the greatest openness" should help him to gain the oposition's confidence in him as the prime minister and in his government.

Walesa Proposes New National Bank President

LD0612152791 Warsaw PAP in English 1216 GMT 6 Dec 91

[Text] Warsaw, Dec. 6—President Lech Walesa proposed Hanna Gronkiewicz-Waltz as candidate for president of the National Bank of Poland (NBP). According to Sejm (lower house) Speaker Wieslaw Chrzanowski the chamber will examine the president's motion during its next meeting on Dec. 12-13.

Hanna Gronkiewicz-Waltz, independent, is an expert in banking law, senior research worker of Warsaw University, author of over 30 scientific studies and the Sejm's expert since 1989. She was a founding member of Solidarity trade union in 1980 at Warsaw University's law department, now she is chairwoman of this cell.

Kacynski Criticizes Walesa Meetings With Left

LD0512231691 Warsaw Radio Warszawa Network in Polish 1450 GMT 5 Dec 91

[Text] Jaroslav Kaczynski, leader of the Center Alliance took a critical stance on President Lech Walesa's meeting with the parliamentary floor group of the Left Democratic Alliance. I was never in agreement with this direction of Mr. President's activities, an earlier spectacular manifestation of which was the nomination of Mrs. Ziolkowska as chairman of the Supreme Chamber of

Control. I continue to disagree with this, stated Jaroslaw Kaczynski. Asked whether he believes that the left is unnecessary for Polish democracy, Jaroslaw Kaczynski said that he is waiting with longing for the real thing as regards the left and had been counting on the late Jan Jozef Lipski or the Polish Socialist Party. However, left as represented by a party that does not hide its links with the former Polish United Workers' Party is not the left, said Jaroslaw Kaczynski.

Democratic Union's Political Difficulties Viewed

AU0512184291 Warsaw ZYCIE WARSZAWY in Polish 28 Nov 91 p 3

[Marek Budzisz article: "At the Crossroads"]

[Text] Of the many mistakes that have been made lately by Democratic Union [UD] politicians, two are particularly telling because they attest to an inability or unwillingness to recognize the fact that following the elections, the general pattern of political forces has changed.

These new circumstances should induce a revision of political conduct. Meanwhile, Bronislaw Geremek and Jacek Kuron, who cooperated with the latter on his mission to form a cabinet, required prospective coalition partners to set out their positions on three points that they formulated. The direct, unambiguous manner in which the question of separating the activities of the state from those of the Catholic Church was raised could hardly have drawn a favorable response from either the Christian-National Union or a Center Accord that is moving toward the right. It thus proved impossible to split the Center Accord and the Christian-National Union alliance, which is the linchpin holding together the center-right parties.

The decision to invite representatives of the Alliance of the Democratic Left to a meeting for representatives of deputies clubs organized by the UD was also an inept move. In light of the Moscow revelations and the five parties' unequivocal position on removing representatives of the Social Democratic Party of the Republic of Poland from positions of authority in the Sejm, it was a gesture that, irrespective of the intentions behind it, cast the UD in the role of a potential ally of Kwasniewski's party.

In fact, it seems that the UD has, in effect, found itself politically isolated in the post-election landscape. The defeat of the "Solidarity" left has deprived the UD of potential allies representing a left-wing option, which is now solely confined to Kwasniewski supporters. Other groups that emerged from "Solidarity" are displaying a much greater willingness to play the part of the right. The Liberal-Democratic Congress comprehended the nature of the changes that were taking shape more rapidly.

In the present political situation, there are two possible ways of participating in government: in a coalition involving parties of the old regime or in a center-right coalition. A failure to appreciate that those are the alternatives must result in a suicidal alliance, such as one involving the Social Democratic Party of the Republic of Poland and the Peasant Party being proposed, or, what has seemed unrealistic until now, an alliance composed of the UD, Liberal-Democratic Congress, and the Center Accord. Irrespective of what the outcome of bargaining in Parliament or over forming a government is, and irrespective of how long the coalition government that is now crystallizing will last, it is difficult to expect the UD to enjoy tangible political success in a Parliament with the kind of distribution of political forces that is now taking shape.

The absence of that success may strengthen a tendency that is already posing a threat to Mazowiecki's party, namely, the disappearance of its electorate. Many sociologists attribute the decline in the size of the UD electorate to the inability of party leaders to identify their constituents. On the one hand, voters from the emerging middle class shy away from the UD social, at times socialist, phraseology. After all, it is no secret that many UD politicians believe it essential to emphasize at every opportunity their concern for the fate of the sick and the poor. They, on the other hand, are discouraged by the party's unequivocally pro-capitalist stance on issues linked to economic stabilization policy while calls for redistribution measures mount. The lost of votes to the Liberal-Democratic Congress, the party currently in government—because some voters have come to believe that it, rather than the UD, can guarantee free-market transformations—was one of the basic reasons election performance was poorer than expected.

The UD's lack of cohesion, which many political commentators have pointed to, is a consequence of the attempt to combine a liberal economic program with a social democratic social program, and is the main reason why the party is at a standstill. Concentrating all efforts on reconciling programmatic difference precludes flexibility in adapting to a rapidly evolving political situation. Today, it can already be assumed that social questions will dominate the debate within the UD next year and that clashes over programs will intensify. The need to make decisions about the level of budget expenditure—which will mean the introduction of at least partial payment for hospital stays and college education and the elimination of or radical reduction in many benefits—will force choices of an ideological rather than a pragmatic kind to be made. Sensible politicians do not question the need to continue with an anti- inflationary policy, but are primarily concerned about what to allocate budget funds for— whether funds should be used to continue to provide free education or perhaps to stimulate private enterprise.

The elections will also force moves to be made in the sphere of politics. Until now, UD leaders have displayed little inclination to revise their own policy line. A fatal middle of the road stance is being maintained, despite the fact that circumstances have changed. At the same time, it is accompanied by a completely irrational desire to loudly proclaim views that are the party's very own.

While politicians like Wladyslaw Frasyniuk and Jacek Kuron tend to stress those points on which there is common agreement, for their internal benefit in their dealings with other parties, especially right-wing parties, they generally focus their attention on seeking out differences.

It is clear that voters will not be attracted to the party if it maintains its present political standpoint and that it will not produce a rapprochement with other post-"Solidarity" party formations: Thus, politically, it is a completely ineffective stance.

There are at least two possible ways to overcome the current impasse: On the one hand, further evolution to the left, which would be an attempt to occupy the position vacated by Labor "Solidarity," would be realistic. It would undoubtedly mean revising the party's economic program, competing with the Social Democratic Party of the Republic of Poland for the support of the left-wing electorate, and the domination of the party by politicians who used to be in the Citizens Movement-Democratic Action. If this were to happen, the possibility of internal conflicts that might even lead to a split cannot be excluded.

If the second possibility is chosen, the UD would undergo a marked shift to the right, and that would mean giving in to the dominant political trends on the Polish scene. In practice, it would mean reformulating the social program, changing the stance on postcommunist formations, and giving up the campaign to secure the votes of the anti-clerical electorate. At the same time, it would mean participating in the coalition government being created by the Center Accord and the Christian-National Union, and seeking to win over that section of the electorate that favors radical market-oriented reforms. Serious internal differences would also be likely in this case.

Irrespective of how the political situation develops, it would appear that UD politicians are now faced with having to make a fundamental choice. More would be gained by choosing one of the two options than by failing to reach a clear-cut decision. It is possible that both are realistic options, but they can no longer be pursued within the framework of a single party.

PAA Report Criticizes Nuclear Safety Measures

LD0712094191 Warsaw PAP in English 2143 GMT 6 Dec 91

[Text] Warsaw, Dec 6—The present Polish safety measures against the danger of radioactive leaks are even worse than was the case at the time of Chernobyl, according to the authors of a report commissioned by the State Atomic Agency (PAA).

Entitled "Report Into the Consequences of the Catastrophe at Chernobyl", it shows that in the past 5 years most of the recommendations of the government commission which had been created in 1986 after the disaster were not implemented.

The lack of a decision-making centre has led the PAA president and the chief inspector for defending the environment to propose an interministerial agreement for setting up a centralised early warning system which would co-operate with the EC systems.

Stolojan Discusses Croatia, Slovenia Recognition

LD0612231591 Belgrade TANJUG in English 2012 GMT 6 Dec 91

[Text] Bucharest, Dec 6 (TANJUG)—Romanian Prime Minister Theodor Stolojan today said that "Romania will recognize Croatia and Slovenia if others do, too."

In a press statement on his return from Rome, Stolojan declined to say if this was a change in Bucharest's attitude to the Yugoslav crisis. He only said that "Romania will not set itself apart from the rest of the world."

The Romanian Foreign Ministry today denied that Bucharest has changed its attitude to the crisis in Yugoslavia. An official of the ministry told TANJUG's correspondent in Bucharest that Romania "does not change positions overnight." He said that Romania still believed that the crisis in Yugoslavia could be resolved only by peaceful means, through talks between the sides in conflict, and that any imposition of a solution from outside, including a foreign military intervention, would only aggravate matters further.

The high official of the Ministry doubted if the statement made by Prime Minister Stolojan in Rome yesterday and allegedly purporting that Romania upholds the European Community's sanctions against the Yugoslav republics of Serbia and Montenegro had been interpreted correctly.

Some news agencies reported Stolojan as having said after a talk with Italian Prime Minister Giulio Andreotti that Romania upholds the E.C. sanctions against Serbia.

Foreign Ministry Concerned Over Troops in Moldova

AU0712172691 Bucharest ROMPRES in English 1637 GMT 7 Dec 91

[Text] Bucharest ROMPRES, 7/12/1991—The Romanian Foreign Affairs Ministry has learned with great concern about the situation created in a region of the Republic of Moldova following the actions taken by the 14th Army of the Odessa Military District of the forces of the Ministry of Defence of the USSR in support of the separatists on the left bank of the Dniester, reads a statement by the Romanian Foreign Ministry sent to ROMPRES for release. Such illegal acts, supported by military forces, worsen the conflictual state in the Republic created by the actions of the separatist elements. It is obvious that these actions, taken on the eve of presidential elections in the Republic of Moldova, were conceived also to create panic and prevent the population from freely expressing its options.

The Foreign Affairs Ministry noted with concern the appreciation contained in the appeal of the legal state bodies of the Republic of Moldova according to which the actions taken against that state would be tacitly approved by the Moscow authorities which means a brutal interference in the internal affairs of the Republic of Moldova, a state also recognized by Romania. Romania's Government considers absolutely necessary that the competent authorities take measures for the immediate withdrawal from the territory of the Republic of Moldova of the armed forces which jeopardize its sovereignty.

Brutal actions, shows of force like those occurring in the Republic of Moldova, just as in other parts of Europe cannot take us closer to the goals proclaimed in the Paris Charter for a new Europe. On the contrary, they bear the germs of highly dangerous situations that can lead to military conflicts with catastrophic consequences for the entire Europe.

That is why, on this occasion too, Romania calls on all the European states to discourage and condemn any action attempting at changing frontiers by force, to observe peoples' right to freely decide their fate.

Iliescu Calls For Constitution's Endorsement

AU0612145791 Bucharest Radio Romania Network in Romanian 1100 GMT 6 Dec 91

[Statement by President Ion Iliescu regarding the 8 December referendum on the Constitution; place and date not given—recorded]

[Text] Esteemed Citizens: We stand before an historic moment for our country, a moment that is decisive for the destiny of democracy in Romania—namely, the act of submitting for approval, through a popular referendum, the country's Constitution, drafted and adopted with a majority of votes by the Constituent Assembly, in fulfillment of the mandate entrusted to it by the voters.

The result of a long, laborious, and sometimes tense but thoroughly democratic process, to which all political forces in the Parliament made their contribution, Romania's Constitution represents the fundamental charter for the existence of the Romanian state; it is Romania's identity document. This Constitution contains principles and provisions at the level of the most advanced constitutions in the world. It defines the essence of the Romanian state as a state of law, a democratic, social, national state, a sovereign and independent and a unitary and indivisible state.

Establishing the republic as the form of government, the Constitution proclaims the sovereignty of the people and sanctions popular legislative initiative. It affirms the supremacy of the law, and the fact that no one can be outside the law. It sanctions political pluralism, private property, and a market economy. It proclaims and guarantees—in an institutionalized framework—fundamental human rights in accordance with the Universal Declaration on Human Rights. It prescribes the norms for the functioning of public authority: Parliament, president, government, central and local public administration, and the judiciary, in accordance with the principles of separation of power in the state, which, although not specifically mentioned, clearly ensues from the precise delimitation of the attributions and spheres of each of them, as is the case in the great majority of European constitutions.

There is no doubt that it is a modern and thoroughly democratic Constitution, appreciated as such by numerous foreign experts. There is no doubt that this Constitution will be the guarantee that freedom and democracy will prevail on Romanian soil. It will mark and ensure the transition from a stage of political temporality to a new stage of political and national stability, which includes the sanctioning of a state of law and its institution, the establishment of democracy, and the completion of the political and economic reform.

Adopted through the vote of the Constituent Assembly, the Romanian Constitution is submitted for approval to the Romanian people through the referendum that will take place on 8 December, as an expression of the nation's sovereign right sanctioned by the new Constitution.

Certainly every person has the free choice to cast his vote or not, or to vote for or against the Constitution. Both favorable and unfavorable arguments have been presented before the public. The incontestable qualities, as well as certain dissatisfactions with the text of the constitution, have been pointed out. However, it should be clearly understood by all that we are talking about an act of great civic responsibility. The failure to approve the Constitution through the referendum would wipe out all the work that the Constituent Assembly has done in the more than one year period. This would lead to the dissolution of the Parliament, organization of early elections, and the restart from the very beginning of the work to draft the Constitution. This would mean the perpetuation of the state of temporality, the prolonging and amplification of hardships, big enough as they are, that are confronting the country today.

However, I have every confidence in our people's mature and wise way of thinking, of all those who are called upon to speak through the referendum. The moral duty of all citizens in Romania is to come on Sunday to the ballot boxes, to vote the way our conscience urges each of us. This call of the soul and of the mind is the call that I address to all our citizens.

Leaders' Statements on Referendum Reported

AU0812203891 Bucharest ROMPRES in English 1900 GMT 9 Dec 91

["Political Life: Statements on the Referendum"—ROMPRES headline]

[Text] Bucharest ROMPRES, 8/12/1991—Dan Martian, speaker of the Assembly of Deputies: "Today I voted in the national referendum on Romania's Constitution. I think the Constitution submitted to the Romanian electorate today is a modern, democratic Constitution which the country needs to be able to continue the deep-going changes that started with the December 1989 revolution. The salient feature of the Constitution is the democratic openness in its structure are a whole. The highest international standards applied in defining and guaranteeing fundamental human rights are effectively incorporated into it and the loftiest gains of the science of constitutional law are synthesized in its provisions and regulations.

"I consider this Constitution boasts a global positive vocation and that is precisely why it represents a certainty for the democratic and prosperous future of the Romanian people."

Alexandru Barladeanu, president of the Senate: "I will repeat what I have already said. After the revolution this is the major act whereby we stray away from the past and lay the foundations of a state of law."

Virgil Magureanu, director of the Romanian Intelligence Service: "No matter the imperfections in the text of the Constitution, the moment of its adoption is historic and I have no doubt that all the people with a progressive mind will vote for it."

Ilie Verdet, chairman of the Socialist Party of Labour: "I voted for this Constitution with the full belief that it will regulate the political life of Romania."

Ion Ratiu, deputy for the Christian and Democratic National Peasant Party: "I think the referendum was organized so that President Iliescu may say that Romania is to be a republic because the people so wanted. You know my position, I have set it forth in Parliament. The vote is secret so I will not say more."

Adrian Nastase, minister of foreign affairs: "In my opinion, today's referendum is first of all an exercise in democracy, a responsible exercise for everyone of us, the capacity to influence the political and legislative structure of the country.

"It is also the end of an important stage in the process of setting the foundations of democracy in Romania and, looking ahead, it is also a necessary framework on which a natural political agenda—mainly, the local and general elections—and economic-reform processes may be set. It is a framework providing for the attainment of greater social confidence in the changes that have started in the Romanian society.

Petre Roman, national leader of the National Salvation Front [FSN], has no doubts in the victory in adopting the Constitution: "It is a victory of democracy and after its voting it will be essential that all the country's citizens, starting with the decision makers, to observe it in its spirit and, especially, in its letter."

In connection with the fact that some of the commission members were absent at certain polling stations, Petre Roman appreciated that "to boycott the Constitution through such acts is ununderstandable because this is neither a political, nor a responsible or serious stand towards the citizens whom they say they want to see on the path of democracy. The vote, be it in favour of or against the constitution, is an act of democracy, of a will for democracy."

Asked about his opinion on the current political developments in Romania, the FSN national leader emphasised that, for sure, the country should enter the stage of stability. This is the significance of the very important electoral cycle for Romania.

Finance Minister, Bank President Discuss Economy

LD0812014791 Budapest Kossuth Radio Network in Hungarian 0750 GMT 5 Dec 91

[Interview with Finance Minister Gheorghe Danielescu and National Bank Chairman Mugur Isarescu by correspondent Levente Suekoesd; place and date not given—recorded; Danielescu and Isarescu comments in Romanian with superimposed Hungarian translation]

[Excerpts] [Suekoesd] [passage omitted] I asked Romanian Finance Minister Gheorghe Danielescu and Romanian National Bank Chairman Mugur Isarescu about the chances of the Romanian economy's recovery:

[Danielescu] I think we must also cooperate closely with the countries surrounding us. There is a need for both economic and political relations at the level of governments and among businessmen.

[Suekoesd] The Romanian economy is in crisis. What financial maneuvers will pull you out of the hole?

[Danielescu] We think we must fight, most of all, against inflation. This constitutes the biggest danger. Therefore, it is necessary to have a strict credit policy that would provide material support only for those companies that are viable. We could stop unnecessary expenditure and material waste in this way. There is need for a strict budget. On the other hand, it was necessary to unify the exchange rate of currencies.

[Suekoesd] Can the different local commercial and industrial chambers maintain economic relations with foreign partners independently from the center? Do you support trade between regions?

[Danielescu] Yes, they are independent organizations, but they enjoy the government's support.

[Suekoesd] Mr. Iliescu has accused—and still accuses—the West of not giving enough credit to Romania. According to his opinion, even the Romanian press is responsible for this—that is, they paint too dark a picture of the Romanian economic situation. Do you agree with these statements?

[Danielescu] A certain restraint, cautiousness against Romania is, indeed, perceptible. It is greater than we have seen in the other East European countries. They provided little credit to us in 1991. I suspect that this behavior in the West can be stopped only by calling for and organizing new parliamentary and local elections. We must assure the West that Romania's democratization process has not ceased. Other social phenomena have made our country's international reputation worse, such as the miners' action last year and this year. Naturally, this political instability puts the foreign investors, businessmen, on guard.

[Suekoesd] Romania participated in the Hexagonale conference on economic issues in Budapest and in the meeting of the entrepreneurs of francophone states in Paris, as well. Has Romania been able to break through the wall of prejudices and cautiousness?

[Isarescu] As far as the prejudices are concerned, I can only say that, not long ago, when I was in the United States, I had the experience that different bankers and significant representatives of their business life were showing strong interest in Romania. They would like to make deals, to trade, and they intend to invest.

[Suekoesd] What are the obstacles to establishing Romanian-Hungarian joint ventures? As far as I know, several people sharply criticized companies like this in the Romanian Parliament, and they asserted that they are harmful to the Romanian economy.

[Isarescu] I do not think joint Romanian-Hungarian ventures can harm Romanian society, if the partnership is based only on economic points of view, as is natural. In this case, these enterprises can only benefit Hungary and Romania. The legal regulations do not contain any type of discrimination regarding capital of foreign origin coming to Romania.

[Danielescu] The time lag has caused problems in Romanian-Hungarian relations—that is to say, none of the sides can be blamed for the difficulties in the relationship. However, this can be attributed to the fact that Hungary changed over to a market economy earlier. I think the present difficulties will not disappear by themselves. However, what we need is not agreements between governments, as was customary in the past. However, cooperation between banks and financial systems and confidence between different companies can establish harmony; thus, trade will also develop in this direction. [passage omitted]

[Suekoesd] The country's political stability depends greatly on economic stability and vice versa. Can Romanian political stability be created through financial means?

[Isarescu] The financial measures are part of the economic strategy. Therefore, they aim at creating economic stability; they can lead to political balance, as well.

[Suekoesd] Let us turn to the key point: Are the internal convertibility of the lei and its devaluation in relation to the dollar the only solutions to this critical situation?

[Isarescu] Naturally, they are not. There were a lot of discussions on convertibility. We feel a stage has ended with the lei's devaluation, and from now on, we have really changed over to market economy. This process started with the liberalization of prices last autumn. We had to take this final step, as well, so that the turning of the Romanian economy into a market economy should be an irreversible process. Even the Western specialist press appreciated this step. [passage omitted]

[Suekoesd] In your opinion, about how many years will it take for the Romanian economy to recover from this difficult situation?

[Isarescu] I am optimistic. I think that the current period proves the deepest hole, and I could say that practically already this year, but rather from next spring, there will be tangible results of changing over to the new system. [passage omitted]

Roman Rejects 'Third Way,' Profiles FSN

AU0812185591 Bucharest AZI in Romanian
4 Dec 91 p 2

[News conference of the National Salvation Front in Bucharest on 27 November: "With One's Back to the Past"—Part IV]

[Excerpts] [Reporter] Do you believe that you and your supporters currently enjoy the Front's support in Parliament?

[Roman] You see, I have noted that the attitude of the parliamentarians has not always been quite linear! It was often said that even National Salvation Front [FSN] parliamentarians did not support the Roman government. At least, I had this feeling when I was prime minister. Still, there are also some positive results: the adoption of 100 government-proposed laws, with minor or slightly more important amendments. Anyhow, this group of hardly wrought laws constitutes the essence of the reform and the most important and decisive breach in the mechanisms of the old system. The behavior of the parliamentarians was like that of the whole country: more affective and emotional than political. I was not a politician to start with, either, and therefore I do not hold it against them that they did not react as politicians in certain situations. Our building effort is still at an unfinished stage; therefore, we must yet reach the stage of clear-cut coherence between the action of the party and that of its representatives. [passage omitted]

[Reporter] As leader of the FSN, do you intend to run for Romania's presidency?

[Roman] Allow me to avoid further clarifications on that subject, which is of no concern to me at this point.

[Reporter] You have recently participated in the meeting of the Council of Europe where, among other things, you presented Romania's new Constitution. What, in your opinion, are the reasons for the negative votes of some parliamentarians?

[Roman] There were political groupings and parliamentarians who voted against the Constitution. The UDMR [Democratic Association of Hungarians in Romania] voted against it. Why? Because they oppose the Article 1 formulation: "Romania is a unitary national state." If that is the reason for their negative vote, they are stuck with it; we have had our vote. The National Liberal Party [PNL] voted against it by basically claiming that it did not clearly stipulate the separation of the judicial power in the state. That may be so, although the experts I consulted on this subject told me that was not so. What I find amiss is that the PNL people came up with this allegation now. The proceedings of the Constituent Assembly show that the PNL forwarded many amendments, many of which were quite good, and were supported by the FSN and even adopted. Why did they not raise this matter at the right time? It is harmful that they raise the issue now. Then, you also have people who believe that our form of government should be a monarchy, not a republic. Well, all these differences are quite understandable... Generally speaking, the constitution was adopted in Parliament by observing the best rules of democracy. [passage omitted]

[Reporter] On a personal level, do you long for or regret having lost your former position as prime minister?

[Roman] I have no regrets whatsoever, and I will tell you why: Since my leaving that post, I have been able to become more involved in the direct political struggle, and now I have the possibility to better understand the wishes of our party's supporters and militants, hence of building together with them. [passage omitted]

[Reporter] In an interview with AZI, you mentioned the concept of social-liberalism. Could you expound on that?

[Roman] The interview you are referring to mentions at one point the need for a balance between economic freedom, which in economic and scientific terms is called liberalism, and the social status, so to say—hence, this coinage of social-liberalism that I explained at the time. There were countries where great, even aggressive, emphasis was placed on total liberalism; the end result was great social tensions and major conflicts in society. There are countries where too much emphasis was laid on the social aspect; consequently, the economy decayed, even seriously. However, all that happened in a social, economic, and political environment that is different from what we have in our country. We are not in a market economy yet, but rather in a mixed kind of economy, where the state is still obliged to assume responsibility for a large part of the productive structures, meaning that it must have a certain ability to organize these structures—otherwise the whole edifice risks to fall apart. Neither do we operate in a fully democratic environment yet, meaning that we still have to fight for political reform. This is basically a huge difficulty facing all former communist countries, with special connotations for our country where, until 22 December 1989, the roughest and most aggressive and horrible communist structures prevailed. [passage omitted]

[Reporter] How do you interpret, as a political attitude, the vote of the groups that did not accept the Constitution?

[Roman] As for the two parties, the PNL and PNT-cd [National Peasant Christian Democratic Party], I believe that they simply do not want to become associated with the Constitution because they apparently want another form of government. Some did not say it all that clearly; others were quite explicit about it. We believe that the republic is a modern form of government, suitable for our country—hence this clear-cut differentiation with regard to the general vote on the country's Constitution.

[Reporter] Do you feel that your position as FSN leader is threatened? Would you agree to an extraordinary FSN convention?

[Roman] As long as I know exactly what to suggest to the party, and as long as I am in total harmony with my political convictions, I am not afraid of anything—neither my position, nor the position of others. Concerning the national convention, it will undoubtedly be held in a relatively short period of time, anyway, before the general elections. [passage omitted]

[Reporter] What are your current relations with the present rulers, from the viewpoint of the act of governing? Do you still participate in this act?

[Roman] First you ask me about my relations with them, then you wonder whether I still participate in governing. These are two distinct things. It is easier to answer the second question: I am a participant in the governing act to the extent that the FSN is the party that proposed and supported the program of this government. As for my relations with the current government members, with Mr. Stolojan specifically, well, I had several meetings and talks with him, first of all to politically negotiate the form of government—both at the first, proper level of government, and at the second level, that of state secretaries and undersecretaries of state. In this respect, everything is not well; I do not mean the relations with the prime minister, but rather the implementation of agreements concluded during the negotiations on the formation of the government and immediately afterward. On the other hand, I tried to better understand the reasoning behind some decisions that had important economic consequences, and, in this respect, I had the privilege of talking things over with Mr. Stolojan, and everything went just fine. Basically, this government respects its program declaration, which we welcomed at the time it was made.

[Reporter] What about the relations with the government members who are in the opposition? [passage omitted]

[Roman] You see, I did not have direct contact with the government members who, as you put it, are in the opposition. However, I noted that our interests and practices are divergent and even contrary. In this respect, I can only say that our relations with them are relations of political struggle. [passage omitted]

[Reporter] When will the Front's ideological platform be finalized?

[Roman] We have already started work on the platform. This is a two-way process: one of thinking, examining, and sorting out and one of recovering the messages received from the people who represent the Front. In the last instance, the most important thing for any political party is to define its ideological and political line, which it must then impose through popular ballot, so that it becomes a political program of government. [passage omitted]

[Reporter] What do you think about the offensive of the "democratic left" for the next elections, for which the PSM [Socialist Party of Labor] is currently preparing its electoral strategy? There was also an FSN proposal for outlawing the PSM...

[Roman] Our opinion has not changed about the parties making up this so called "democratic" left, primarily the PSM, toward which some very unrepresentative groupings are gravitating.... As a matter of fact, I wonder what the PSM stands for, other than the communist ideology. The fact that they are hiding their political action raises further question marks, because their public pro-democracy lip service and the party's a communist-type structures and ideology are rather incompatible. As for the issue of outlawing the Communist Party, I already said once that Romania was one of the few countries that banned the Communist Party before the war. I found out that the party was banned on the basis of a fully democratic law: the Mirzescu law. Today, we also have a law on national security that, on the basis of concrete and proved data, can lead to the adoption of similar legislative steps.

[Reporter] In connection with your party's profile, is it a social-democratic party, a socialist party of the Western type, or a democratic union?

[Roman] I called it "Union for Democracy," because this will be the central theme of the Romanian society for at least another mandate, if not two. Anyhow, I believe this is the central theme. As for the social-democratic, socialist, and so forth, the ideological connotation of these terms is much too strong given the Romanian reality of today.

[Creporter] Forgive me, but you like the name "Union for Democracy"—this is very important.

[Roman] Yes, I like it, but for the time being our name is still the FSN.

[Reporter] It is true that history is full of fluctuations and of cases when the sons had different opinions from their parents. However, I would like to know your opinion about the concepts and actions of Valter Roman [Petre Roman's father, prominent Communist Party leader in post-World War II Romania] in Romania and the RCP [Romanian Communist Party].

[Roman] I have been asked this question quite often in the past and, therefore, I do not mind answering it again now. First, I am I, and he was he. In other words, I cannot be held accountable for his actions. All his writings and all his life are proof of what he did. That is all. [passage omitted]

[Reporter] Regarding your assessment about the irrelevant character of the left-right concepts in our society... With elections just round the corner, there are, however, such groupings—a bloc of parties from the Convention for the Establishment of Democracy, to the right, and, the Union of Democratic Left, to the left. Therefore, how do you estimate the FSN's chances of victory in the coming elections, knowing that it will be attacked from both sides?

[Roman] I said that, unlike the parties making up the Convention, the FSN was able, until now, to present a program for the Romanian society's reform both in the political and economic spheres. The FSN was able to promote a Constitution that is both democratic and modern. Now, the FSN must also be able to present a program—a platform, a strategic program—that shows what we are striving for and also explains the meaning of our country's integration among the developed countries in Europe. In my opinion, this is the sphere in which the struggle between the FSN and maybe other parties, on the one hand, and this so-called rightist Convention for the Establishment of Democracy, on the other hand, is taking place. I said "so-called rightist," because it has a pretty mixed ideology. We see that the liberals are siding with the Peasant Party people. The latter are certainly a conservative force, but the liberals have always been considered rather left-wing, being a liberal force.

Everything is mixed up now. We must be the promoters of democracy in Romania; then, I believe, we will be able to put forward a long-term strategic program for the country. Let us face each other over this issue. I believe this is what the people of this country want. I do not believe that a party gains credibility with suggestions such as "the economic forces must be completely changed, after which we will see what should be done." But this is their problem. We believe that our approach must be future-oriented.

Former RCP Leaders Receive Prison Sentences

AU0912161391 Bucharest ROMPRES in English 1529 GMT 9 Dec 91

[Text] Bucharest ROMPRES 9/12/1991—Monday, December 9, sentences were passed in the "Timisoara trial," entered against those responsible for the reprimanding of the December 1989 popular revolt at Timisoara, which sparked the Romanian revolution.

Ion Coman and Cornel Pacoste, both of them members of the former Executive Political Committee of the Central Committee of the Romanian Communist Party, were sentenced to 25 and 20 years of jail, respectively. Radu Balan, the last first secretary of the former Communist Party Committee of the County of Timis was given 23 years of jail.

Defendants Ilie Matei, secretary of the Central Committee of the Romanian Communist Party, and Filip Teodorescu, director in the former State Department of Securitate, were acquitted.

Some other sentences were equally passed.

International

Separovic Receives Soviet, Hungarian Consuls

LD0812235791 Zagreb Radio Croatia Network in Serbo-Croatian 1900 GMT 8 Dec 91

[Text] Croatian Foreign Minister Zvonimir Separovic received in separate visits today Soviet Consul General Yuriy Direnko and Hungarian Consul General Gabor Babi, and informed them about the circle of countries advocating recognition of the Republic of Croatia. Minister Separovic called on republican governments in the Soviet Union and the Hungarian Government to join those countries which will soon recognize the independence and sovereignty of Croatia.

Soviet Consul General Yuriy Direnko handed over to Minister Separovic a letter from Russian Federation President Boris Yeltsin addressed to President Tudjman, and informed Minister Separovic about the course of negotiations between the Soviet republics and the future relations within Soviet Union. Separovic informed his guest about the Croatian recognition of the Republic of Ukraine.

Hungarian Consul General Gabor Babi informed Separovic about the position of the Hungarian Government regarding recognition of Croatia and Slovenia, particularly about its initiatives to Poland and Czechoslovakia regarding their joint recognition.

Regarding the latest destruction of Dubrovnik, Minister Separovic handed over to his guests an appeal for the salvation of the town.

Vance Visits, Holds Talks With Republican Leaders

Meets Izetbegovic, Others

AU0612173791 Belgrade Radio Belgrade Network in Serbo-Croatian 1400 GMT 6 Dec 91

[Dragan Nikolic report]

[Text] Mr. Cyrus Vance held talks with Alija Izetbegovic, president of the Bosnia-Hercegovina Presidency, Radovan Karadzic, president of the Serbian Democratic Party in Bosnia-Hercegovina, and Stjepan Kljuic, president of the Croatian Democratic Community in Bosnia-Hercegovina. They discussed the arrival of blue helmets in Bosnia-Hercegovina.

Izetbegovic and Kljuic supported the deployment of UN peacekeeping troops in this republic. However, Dr. Radovan Karadzic resolutely rejected this possibility, explaining that Bosnia-Hercegovina is a constituent part of Yugoslavia and that the SFRY Presidency and other federal institutions are authorized to deal with such matters. Besides, it transpired in the talks with Mr. Vance that the Muslim and Croatian side nurture hopes that, with the help of the UN blue helmets, they will be able to neutralize the presence of the Yugoslav Peoples Army in Bosnia-Hercegovina and accomplish their secessionist objectives. The Serbian nation most firmly opposes this, Karadzic said.

In talks with journalists, Cyrus Vance stated that the situation is now far more complicated. This comes as a result of today's armed clashes around Osijek and Dubrovnik. He will brief UN Secretary General Perez de Cuellar on his findings and he believes that a decision will be made either on Monday or Tuesday [9 or 10 December].

Alija Izetbegovic said that clashes are escalating due to plans to prevent the arrival of the blue helmets. If this proves to be the case then one should consider sending some other military force from the international community to Yugoslavia.

Asked who has such intentions, Izetbegovic replied that Serbian Chetnik-oriented forces do.

Briefs Journalists on Meeting

LD0612204691 Belgrade TANJUG Domestic Service in Serbo-Croatian 1704 GMT 6 Dec 91

[Text] Sarajevo, 6 Nov (TANJUG)—The UN secretary general's special envoy, Cyrus Vance, met Bosnia-Hercegovina Presidency President Alija Izetbegovic in Sarajevo today. Cyrus Vance expressed satisfaction about meeting Izetbegovic once again and about a possibility of exchanging views on the general situation and the dispatch of peace forces to Yugoslavia and in a smaller number to Bosnia-Hercegovina. In his press statement, Vance briefed journalists on the meeting with representatives of the three leading political parties. Two of the parties, in his words, were in favor of sending peace forces to Bosnia-Hercegovina, while the third was resolutely against it. We have not yet passed a decision whether any forces will be sent to Yugoslavia, Vance said. I must first submit a report to the secretary general after which he will decide what recommendations to make to the UN Security Council which will take the final decision. The only condition is a true cease-fire.

In his press statement, Alija Izetbegovic described the dispatch of blue helmets to Bosnia-Hercegovina as a realistic possibility should blue helmets come to Yugoslavia at all, he said. Of course, if the war in Croatia ends. [as received] During the talks with Vance, said Izetbegovic, we received reports on renewed fighting in Osijek and near Dubrovnik. I am under the impression, added Izetbegovic, that some forces in Croatia, Bosnia-Hercegovina, and Serbia are jeopardizing the dispatch of blue helmets. These are, said Izetbegovic, pro-Chetnik, and Greater-Serbian forces. A refusal to allow blue helmets to come to Yugoslavia, and to Bosnia-Hercegovina and Croatia in particular, in some way reveals that certain things are being concealed from the public. Who could be inconvenienced by blue helmets over here? They would most certainly be an element of peace, they would ensure peace and democratic denouement without the use of force.

Meets With Party Representatives

*LD0612205591 Belgrade TANJUG in English
1600 GMT 6 Dec 91*

[Text] Sarajevo, Nov 6 (TANJUG)—The Serbian Democratic Party (SDS) of Bosnia-Hercegovina during today's meeting of the leaders of the three biggest political parties in Yugoslavia's central republic with special envoy of the United Nations secretary-general Cyrus Vance said the SDS was strongly opposed to any foreign military presence in that republic.

The SDS said that the representatives of the Croatian and Moslem parties at the meeting had come out in favour of a deployment of military forces or observers in the republic, especially in eastern Hercegovina.

During Vance's conversation with SDS President Radovan Karadzic, Croatian Democratic Union (HDZ) leader Stjepan Kljuic, and Rusmir Mahmucehajic, vice-president of the Party of Democratic Action (SDA), which rallies Moslems in the republic, secessionistic expectations surfaced that the presence of "blue berets" would neutralize that of the Yugoslav People's Army (JNA) in Bosnia- Hercegovina, assisting in that republic's separation from Yugoslavia, it is emphasized in the announcement.

The Serbian side cautioned about just such expectations and made it clear that Bosnia-Hercegovina was a part of Yugoslavia and that the questions were in the competence of the state Presidency and the other federal institutions, including the JNA, the party said.

The party, which represents the great majority of all Serbs living in Bosnia-Hercegovina, said that the crisis in the republic could be resolved only through accord among all three nations living in it, and that the Yugoslav crisis could not be resolved without the participation of federal institutions.

Some 43.8 per cent of the 4.5 million inhabitants of Bosnia-Hercegovina are Moslems, 31.4 per cent are Serbs, and 17.3 per cent Croats.

Assesses Talks With Milosevic

*LD0612231991 Belgrade TANJUG Domestic Service
in Serbo-Croatian 2100 GMT 6 Dec 91*

[Text] Belgrade, 6 Dec (TANJUG)—Following a meeting with Cyrus Vance, Serbian President Slobodan Milosevic said this evening in Belgrade that their talks were "very constructive and very open, talks which bring us closer together and which serve as steps in bringing about a decision to send UN peacekeeping forces to Yugoslavia." Milosevic stressed that "the UN peacekeeping forces will help maintain peace and ensure that a resolution to the Yugoslav crisis is finally found in a peaceful manner."

UN special envoy Cyrus Vance said: "We had long and, I think, satisfactory talks this evening, and we will meet again tomorrow." He refused to dwell on the content of the talks but added: "You can ask about that tomorrow, because we will talk again tomorrow."

Assessing the talks, Milosevic said that he thinks "a realistic and objective picture of what is happening in Yugoslavia is emerging."

Milosevic Evaluates Dialogue

*AU0712204491 Belgrade RTV Sat TV
in Serbo-Croatian 1830 GMT 7 Dec 91*

[Interview with Serbian President Slobodan Milosevic by Ivan Brzev in Belgrade on 7 December—recorded]

[Text] [Brzev] Mr. President, how do you assess the talks held this evening?

[Milosevic] Well, I shall tell you very briefly: I think that after this evening's talks one can fully responsibly say that prospects for establishing permanent peace in Yugoslavia are strengthening. As we all know very well, this is indispensable for us to start finding a peaceful solution to the Yugoslav crisis.

[Brzev] Thank you.

[Milosevic] Thank you, too.

Continues Talks With Milosevic

*LD0712194991 Belgrade TANJUG Domestic Service
in Serbo-Croatian 1834 GMT 7 Dec 91*

[Text] Belgrade, 7 Dec (TANJUG)—Serbian President Slobodan Milosevic and Cyrus Vance, the UN's special envoy, this afternoon discussed prospects for ending the Yugoslav crisis and proposals for the blue helmets' arrival in our country. This was the second meeting between Milosevic and Vance in the past 24 hours, i.e. since the UN special envoy returned to Belgrade within the framework of his mission to help resolve the Yugoslav crisis.

"It is difficult to discuss the blue helmets' arrival when armed conflicts are continue," Cyrus Vance said following the talks with Milosevic. The UN special envoy announced that he will continue talks with Yugoslav officials tomorrow, after he sees Macedonian President Kiro Gligorov and Vasil Tupurkovski, SFRY Presidency member from Macedonia.

"Prospects for a permanent settlement of the crisis in Yugoslavia are becoming clearer," Serbian President Slobodan Milosevic said in a brief statement for the press following the talks with Vance.

Discusses Independence With Gligorov

*LD0712214891 Belgrade TANJUG Domestic Service
in Serbo-Croatian 1956 GMT 7 Dec 91*

[Text] Skopje, 7 Dec (TANJUG)—Macedonian President Kiro Gligorov and Cyrus Vance, the UN special envoy, met in Belgrade's Macedonia House today. Vasil Tupurkovski, SFRY Presidency member, attended the talks.

A statement released by Kiro Gligorov's office and forwarded to TANJUG says that talks concentrated on the situation in the Republic of Macedonia and the country as a whole, as well as on efforts invested by the international community to resolve the Yugoslav crisis.

Following the talks, President Gligorov said that he had briefed Vance about his message to the heads of states and governments, urging them to recognize Macedonia's independence and about Macedonia's support for The Hague conference. Gligorov said that he had talks with Vance about the possibilities for a cease-fire in Yugoslavia and for the dispatch of the UN peacekeeping troops.

"I told him that Macedonia remains peaceful, but, with the view to what is happening in Yugoslavia, there are some uncertainties whether it will remain quiet. I repeated a request that observers come to our republic, too. Likewise, I requested that a UN resolution on sending UN peacekeeping forces to Yugoslavia contain a provision allowing such forces to be deployed in Macedonia if the situation worsens or if threats and the like are made," Gligorov said.

Kiro Gligorov said that Cyrus Vance stressed that it would be the best if republics were recognized at the end of The Hague negotiations, which would mean by a peaceful agreement. Gligorov underlined Vance's stand that recognition now could worsen the situation in Yugoslavia and cause the final end to The Hague conference.

"We have agreed that The Hague negotiations ought to be brought to a successful close and that recognition ought to be extended to all republics meeting necessary conditions for this, under equal conditions," Gligorov said.

Kiro Gligorov added that the greatest obstacles to peace efforts were renewed clashes around Osijek and what has been happening in Dubrovnik and that these developments would "have catastrophic resonance worldwide." The Macedonian president said that his republic supported the U.S. stand on recognizing the republics, but it did not understand the U.S. decision on sanctions against all of Yugoslavia. "We will approach the United States with a request to be exempt from sanctions," Gligorov said.

Following the talks, Vasil Tupurkovski, SFRY Presidency member, said that the participants expressed concern and dissapointment that participants in the war were not willing to observe cease-fire agreements. Under these conditions, when agreements forged by the UN special envoy are being violated day and night, it is obvious that this casuses anxiety in the international community and leads to unilateral aspirations and acts, such as the current German stand on temporary and selective recognition of some republics. As a result of that, sanctions are introduced against everyone, although this is unfair, Tupurkovski said, adding that Cyrus Vance supported this stand fully.

Tupurkovski holds that yesterday's U.S. decision to introduce sanctions against Yugoslavia is just a signal to the warring parties and it will not be in force for long.

Following talks with top Macedonian officials, Cyrus Vance said that he intends to meet other countries' leaders. He added that the informal meeting in The Hague called for Monday is important because it deals with fundamental problems.

Vance said that during the talks with Gligorov, he underlined the need for the clashes to end, adding that what had happened yesterday in the Osijek and Dubrovnik areas "is fully irresponsible toward halpless people, and this must end." Vance said that he was satisfied that the U.S. was undertaking actions aimed at normalizing the situation in Yugoslavia. "I have not yet decided on possible actions when the clashes are continuing. When I am ready, I will propose peace operations pending the facts. At this moment, I am not satisfied with the facts," Cyrus Vance said.

No Agreement Reached on Troops

LD0812150791 Belgrade TANJUG Domestic Service in Serbo-Croatian 1352 GMT 8 Dec 91

[Excerpt] Belgrade, 8 Dec (TANJUG)—UN special envoy Cyrus Vance had talks in Belgrade Today with Serbian President Slobodan Milosevic, Milosevic's office revealed this afternoon.

The statement stresses that during the talks "an agreement was expressed about the key assessments of issues affecting a decision to send UN peacekeeping forces." UN Under Secretary Marrack Goulding and Serbian Foreign Affairs Minister Vladislav Jovanovic took part in the talks.

This was the fifth Milosevic-Vance meeting in the past week since the UN envoy arrived in Yugoslavia in an effort to find modalities for the dispatch of the blue helmets to our country.

"An agreement has not yet been reached", Vance said after the meeting with Milosevic. "We talked about a plan to enable the implementation of peace operations", he added.

Asked whether the fact that he talked most of all with the Serbian president during his mission means that obstacles to the realization of the peace plan are put up by the Serbian side, Cyrus Vance replied negatively. "True, there were some obstacles, but we have resolved them and we have basically—I think—made progress", Vance said.

TANJUG has learned that Cyrus Vance will have lunch with Yugoslav Foreign Minister Budimir Loncar today in Belgrade. [passage omitted]

Tudjman 'Fully Satisfied' With German Recognition

LD0612215191 Zagreb HTV Television in Serbo-Croatian 1830 GMT 6 Dec 91

[Statement by Croatian President Franjo Tudjman on recognition by Germany on 6 December; place not given—live or recorded]

[Text] The German Government is not vacillating in the least in the implementation of its decision on recognition. They will strive to help Germany win the following of as many states as possible, but it will nevertheless embark on recognition regardless of what the number will be. One can expect most EC countries to follow Germany as well as non-EC countries. After all, this recognition of Croatia will enable Croatia in its capacity as an independent international factor to be more successful in putting an end to the war and to embark on a struggle for the restoration and building of a free and democratic Croatia.

All my partners, particularly those at the news conference and television interviews, asked, and were interested in, as to how we envisaged the involvement of the peace forces in Croatia. I explained to them that the agreement on the sending of a peace force had been reached on the grounds that the Yugoslav Army was to withdraw from the entire territory of Croatia while a peace force should arrive simultaneously in the crisis areas. Therefore, the peace forces should help end the war, establish a real absolute cease-fire—because under these conditions when the Yugoslav Army has no total control, that is at least what they have been claiming and one can really assume that they have no control, of all the insurgent, Chetnik, detachments—hence, we reached that agreement with Mr. Vance that there was no need to wait for an absolute cease-fire but that peace forces should come nonetheless in these current conditions, given that even the Belgrade representatives of the Yugoslav Army's Serbian expansionism agree to the sending in of peace forces. Consequently, this is precisely to achieve an absolute cease-fire since the arrival of the peace forces would usher in a lasting peace.

The essential fact is that they, too, favor such a role of the peace forces whereby their duty would be only to replace the Yugoslav Army in the crisis areas and by no means to separate the current Yugoslav Army and Croatian combat forces. They are not fully convinced, however—given the aggressor's conduct, given it does not honor a truce even during Mr. Vance's stay—that this agreement will be made possible. They are aware, though, that in that case the EC, too, as well as the UN, will have to find a mechanism of more effective intervention, something that the EC observers suggest anyway in their report published with the help of the UP agency. This was no coincidence that it took place during Mr. Vance's visit to Belgrade. It says that these aggressors who are violating the truce should comprehend that unless they give up their aggression they will face a blow dealt by international forces. Even in this respect we may be fully satisfied that Germany, and Europe, as well, share our views regarding how to stop the war and involve peace forces in Croatia.

Ministry Says Germans Suspend Traffic Agreements

LD0612191691 Belgrade TANJUG in English 1825 GMT 6 Dec 91

[Text] Belgrade, December 6 (TANJUG)—The Yugoslav Transport and Communications Ministry on Friday [6 December] received an official document on Germany's unilateral decision to suspend its traffic agreement with Yugoslavia. The decision takes effect at 24 hours on December 9.

As learned from the Yugoslav Government's press office, the ministry today addressed international public and all international organizations demanding strict implementation of norms and rules in international traffic.

Under international regulations, a unilateral decision on cancelling air traffic agreement must be announced a year in advance and those on cancelling river and road traffic agreements three months in advance.

German Government spokesman Dieter Vogel explained on Wednesday that the decision on suspension of all traffic agreements with Yugoslavia related only to the Yugoslav Republics of Serbia and Montenegro.

The Italian authorities have introduced high insurance tax, paid in cash on border crossings, for heavy lorries from Serbia and Montenegro.

Government Criticizes Decision

LD0612192191 Belgrade TANJUG in English 1739 GMT 6 Dec 91

[Text] Belgrade, December 6 (TANJUG)—The Yugoslav Government on Friday [6 December] reiterated that Germany had disregarded the terms for cancelling traffic agreements when it decided to sever all traffic links with the Yugoslav Republics of Serbia and Montenegro.

The Yugoslav transportation and communications ministry said that Yugoslavia and Germany had bound themselves under international provisions to announce a possible decision on breaking the air traffic agreement a year in advance.

The ministry also said that the breach of contract on river traffic must be announced three months in advance.

Last year, Yugoslav and German shipping firms transported around 450,000 tonnes of cargo.

The side that wants to breach the contract must settle all debts outstanding, a group of TANJUG's journalists were told.

German airlines owe 2.1 million marks and 3.2 million dollars for using Yugoslav equipment and flight control services this year alone.

Last year, around 54,000 German trucks carrying 734,000 tonnes of various goods entered Yugoslavia and about the same entered Germany, show reports by the Federal Bureau of Statistics Presented to TANJUG's journalists.

While the final destination for the trucks travelling from Yugoslavia was in most cases Germany, German heavy vehicles were largely in transit through Yugoslavia.

German Ambassador Received

LD0612232791 Belgrade TANJUG in English 2017 GMT 6 Dec 91

[Text] Belgrade, Dec 6 (TANJUG)—The Yugoslav Foreign Ministry today protested against Germany's decision to suspend all traffic agreements with Yugoslavia and asked of the Bonn government to reconsider its stand and enable normal traffic between the two countries.

Foreign Ministry official Dragomir Djokic today told German Ambassador in Belgrade Hansjoerg Eiff that Germany's step was in "flagrant violation of international agreements in the field of traffic and obligations stemming from documents of the Conference on Security and Cooperation in Europe (CSCE)," says a statement released in this connection.

Djokic told the ambassador that the Yugoslav Government and competent bodies retained the right to take the necessary measures to protect the interests of their country in case the decision of the German Government should be put into effect.

The German ambassador was today received at the Yugoslav Foreign Ministry at his own request, where he presented a note informing the Yugoslav Government of Germany's decision to suspend all traffic agreements with Yugoslavia as of December 9.

Paper Claims Hungary Supplied Planes to Croatia

LD0912000691 Budapest Kossuth Radio Network in Hungarian 2100 GMT 8 Dec 91

[Text] A Belgrade paper again claims that Hungary handed over military planes to the Croatian armed forces. The paper POLITIKA EKSPRES also claims to know that these planes use Hungarian airfields to attack Yugoslav military positions. In response to questions from the GERMAN news agency DPA, the commanders of the Yugoslav Air Force refuted the claim of the Belgrade paper.

Federal

Secretariat Rejects 'Counterproductive' Sanctions

LD0712200691 Belgrade TANJUG in English 1522 GMT 7 Dec 91

[Text] Belgrade, Dec 7 (TANJUG)—Commenting on the introduction of U.S. economic sanctions against Yugoslavia, the federal Foreign Ministry said today that this was not the way to resolve disputes in the country.

Economic sanctions are harmful and counterproductive, especially at the time when decisive efforts are being made within the mission of U.N. Secretary General's special envoy Cyrus Vance to start a concrete process of stabilizing the situation in the crisis areas in Yugoslavia, the ministry told TANJUG.

The ministry also said that in its decision on the sanctions, the United States treated Yugoslavia as a single state and that this position was also evident in Washington's official statement opposing separate recognition of some parts of Yugoslavia.

The information sent to the Yugoslav Foreign Ministry by the U.S. State Department says that the economic sanctions against Yugoslavia will include suspension of tariff benefits under the general system of trade preferences, certain forms of technical assistance and some provisions of the bilateral agreement on textile exports from Yugoslavia.

Kostic Warns of 'National-Chauvinist Ideology'

LD0612234891 Belgrade TANJUG in English 2139 GMT 6 Dec 91

[Text] Belgrade, December 6 (TANJUG)—Vice President of the Yugoslav Presidency Branko Kostic today said that the efforts to form puppet states in the Yugoslav Republics of Slovenia and Croatia were a continuation of the efforts of those countries and forces whose objectives in the two world wars had suffered total defeat.

We are witnessing a resurrection of the national-chauvinist ideology in the territories of the two northwestern Yugoslav republics, the attainment of which is being attempted by the darkest and worst methods, Kostic said receiving in Belgrade a delegation of the Yugoslav Socialist Democratic Party (JSDS).

The party has initiated a unification of the left-oriented Yugoslav parties which strive for the development of democracy, establishment of peace and safeguarding of the state.

JSDS officials said that the European Community did not have a legitimate right to decide about the fate of Yugoslavia and that the only ones to have this right were the Yugoslav nations which should do so in a plebiscite, through the good offices of the United Nations.

Kostic said that the allegations that the federal Presidency had opted for war were irrational, because the presidency, as the supreme commander, had ordered the engagement of the Yugoslav People's Army (JNA) only after the flaring up of large-scale interethnic conflicts and only when Serbs in Croatia had been threatened with extinction. In addition, the decision about the redeployment of the JNA from Slovenian territory to other parts of Yugoslavia was taken in order to make possible a peaceful settlement of the Yugoslav crisis, he said.

The Presidency of Yugoslavia believes that the best solution for all nations living in Yugoslavia today, although apparently unrealistic to expect, would be for the state to survive in its present borders, and advocates the position that only those nations may wish to be part of it, he said.

Kostic Notes Prospects for Peacekeeping Forces

LD0612223591 Belgrade TANJUG in English 2159 GMT 6 Dec 91

[Text] Belgrade, Dec 6 (TANJUG)—Vice president of the Yugoslav State Presidency Branko Kostic this evening said that there was a realistic chance of the United Nations' peacekeeping troops coming to Yugoslavia, because the Yugoslav Republic of Croatia had consented that they be deployed in the crisis spots in its territory.

Originally, Croatia had insisted that the peacekeeping troops be deployed along the administrative boundary between Croatia and Serbia, but changed its position at the session of the republican parliament yesterday.

Speaking at a meeting of citizens of Croatia's western Slavonia region with Serbian politicians in Belgrade, Kostic said that the State Presidency continued to insist on the peacekeeping troops in Croatia being deployed along the line of separation between the warring sides.

"Deployment of the U.N. peacekeeping force presupposes a disengagement of the Yugoslav People's Army on the line of separation," Kostic said, but added that the presidency "will not approve any solution that would not guarantee protection to the Serbs in Croatia."

Presidency To Invite Tudjman to Future Sessions

LD0612200391 Belgrade TANJUG Domestic Service in Serbo-Croatian 1727 GMT 6 Dec 91

[Text] Belgrade, 6 Dec (TANJUG)—At a session held today and chaired by Vice President Branko Kostic, the SFRY Presidency noted that public information media carried reports that the Croatian Assembly made a decision on 5 December that "Stipe Mesic has ceased to hold the post of a member and the president of the SFRY Presidency" from 8 October when the Assembly made a decision to severe all state and legal ties between the Republic of Croatia and Yugoslavia. The SFRY Presidency was also briefed about a letter which Stipe Mesic sent to the SFRY Presidency secretary general on 5 December saying: "I tendered my resignation for membership of the SFRY Presidency to the Croatian Assembly on 5 December, and I, hence, ask you to invite Croatian President Franjo Tudjman to your sessions and to send to him all materials via the cabinet of the Presidency member from Croatia in the next period. This means that the cabinet of the member of the SFRY Presidency from the Republic of Croatia is still operating, with the head of and an advisor to the cabinet, until the final separation." In connection with this, the SFRY Presidency has concluded to invite, in line with the Constitution, the Croatian president to future sessions. The SFRY Presidency has also concluded to inform diplomatic missions and international organizations and institutions via the Federal Secretariat for Foreign Affairs that Stipe Mesic is no longer the president and a member of the SFRY Presidency.

Defense Spokesman: JNA Not Shelling Dubrovnik

LD0612203391 Belgrade TANJUG in English 1519 GMT 6 Dec 91

[Text] Belgrade, Dec 6 (TANJUG)—Spokesman for the Federal Secretariat for National Defence, Colonel Milan Gvero, told TANJUG today that the Yugoslav People's Army (JNA) "has no intention whatsoever of shelling Dubrovnik."

Denying allegations that the JNA had shelled Dubrovnik this morning, Gvero called the reports "perfidious disinformation aimed at defaming the JNA at a very delicate stage in the negotiations."

Representatives of the Army and the city of Dubrovnik have for some days now been negotiating in the nearby resort of Cavtat with the mediation of foreign observers on the JNA's proposal for the Croatian paramilitary forces in Dubrovnik to surrender their arms and for the entire area to be demilitarized.

Col. Gvero said Croatian forces in the Dubrovnik area had in the past days attacked JNA units in an effort to drive them back.

The Army's units returned fire in order to make impossible further attacks in the areas concerned, he said.

The Croatian forces are seemingly bent on provoking the JNA into launching an attack on Dubrovnik—but that attack will not take place, Gvero said.

The European Commission sent this morning from Brussels a strongly worded protest to the Yugoslav authorities over the alleged artillery attack on Dubrovnik.

Head of the cabinet of the European commissioner for the Mediterranean Ramon de Miguel told Yugoslavia's ambassador at the European Community Mihailo Crnobrnja that since 0830 hours this morning Dubrovnik had again become the target of JNA shelling.

He said that in his view this was an act of provocation, as the attackers knew that the French vessel Cap D'Afrique carrying humanitarian aid to Dubrovnik was nearing the city at that moment.

The European commission asked the Yugoslav authorities to do all in their might to "put a stop to the attacks on Dubrovnik."

Official Interviewed on Energy, Industry Sector

92BA0125B Belgrade BORBA in Serbo-Croatian
28 Oct 91 p 8

[Article including interview with Stevan Santo, federal secretary for energy and industry, by TANJUG editor Milos Petkovic in Belgrade; date not given: "The World Will Bypass Us"]

[Text] The impossibility of utilizing the Yugoslav oil pipeline has created real confusion. There will be as much natural gas as there is money. We are suffering great material harm due to the loss of jobs and the failure to provide the anticipated volume of services. Not only are we in chaos ourselves but we have made it possible for the world to seek alternative solutions, said Stevan Santo, among other things.

Belgrade—The energy policy of the country is no longer functioning. The unilateral secession of Slovenia and Croatia has resulted in the separation of the electric power system into two parts. From the organizational standpoint, this has taken place with the withdrawal of these two republics from the Society of the Yugoslav Electric Power Economy. This means that its intactness has been destroyed. The western part of the electric power power system operates within the framework of the Union for the Coordination of the Production and Transport of Electric Power [UCPT], while the eastern part unites the remainder of Yugoslavia, Greece, and Albania. Thus the flows of the 380-kilovolt high-voltage network have been interrupted. Naturally, the European Community wants the electric power system to be connected, because of Greece; this does not appear possible at this moment, says the federal secretary for energy and industry, Stevan Santo, in a conversation with TANJUG editor Milos Petkovic.

[Santo] The bulk of the production of power and certainly consumption is in the part of Yugoslavia outside Slovenia and Croatia. The largest thermal electric plants, mines and hydroelectric plants are there. The interruption of parallel operations with the system, or with western Europe, makes a divided Yugoslav electric power system less elastic.

The circumstance that the thermal electric power plants have been built next to the coal mines themselves is a favorable one, and the problem of transporation has not worsened. Moreover, there has been sufficient rain this year, so the water level is high, and the supply of water in the storage lakes is greater than was foreseen for this time of year. Consumption of electricity, however, is less than last year. Nevertheless, all this does not mean that the situation in the electric power industry is stable.

The whole electric power system of the country has been created so that all rely on one another. Now, let's say, the export of electricity from Serbia to Europe flows through Hungary and Austria. The war in Croatia has interrupted its normal flow through the 380 kilovolt network built earlier. Only a long and severe winter would show in the real sense of the word the consequences of a failure of the energy system in general, especially in the electric power industry.

The not infrequent dinar illiquidity and the shortage of foreign exchange have had an effect on the supply of liquid fuels. The impossibility of utilizing the Yugoslav oil pipeline has created real confusion. This project was built with joint funds from all refineries. They are paying off these credits; therefore, the oil pipeline does not belong only to Croatia. There is no legal basis for any kind of curtailment of the rights of other refineries. We are returning to the delivery of oil from abroad via the Danube, with fuel carriers, etc. The consequences of the disruption of the right to utilize the oil pipeline are being felt everywhere. They could be still greater and cause additional costs due to possible new construction projects. With the existing oil pipeline, petroleum should also be sent outside the borders of Yugoslavia to countries that participated in its construction.

More than one-half of the necessary quantities of natural gas are imported from the USSR. Increased deliveries cannot be counted on during the winter, because the gas is needed by the USSR and other partners, but the orderly settlement of obligations of which we cannot be proud emerges first. There are unpaid accounts from back in January of this year. One of the conclusions could be that there will be as much natural gas as there is money.

To a remark that the market is not supplied with coal for industry and fuel, the federal secretary mentioned that wartime operations, first in Slovenia and then in Croatia, have had their effect. The supplying of mines with necessary production materials, as well as the shipment of coal to large consumption centers from individual basins, for example, the Tuzla basin, have become significantly more difficult. When transportation is in question, it is worthwhile to state, Stevan Santo points out, that breakdowns have occurred on the railroad, roads, sea, rivers, and in the air, and the operations of the PTT [Post, Telegraph, Telephone] system have also been disturbed. Not only are we in chaos ourselves but we have made it possible for the world to seek alternative solutions. Despite our favorable geographic position, if the wartime conflict does not end soon, the world will indeed resort to resolving the transportation problems by bypassing Yugoslavia; in this case, the consequences are unforeseeable.

Right now is the time to issue permits for foreign freight vehicles to transit our country. Viewed as a whole, we are suffering great material harm in foreign exchange due to the loss of jobs and the failure to provide the anticipated volume of services.

To give any kind of prognosis as to the supply of consumers and the market with coal, electricity, and liquid fuels would be distasteful and impossible under today's conditions. There is no prescription about how to stop the fall in production in industry and other spheres and to resume interrupted connections fairly well in all branches of transportation. The Federal Executive Council or any of its secretariats can't do much in this regard, nor can anyone else except for all of us together, concludes the federal secretary for energy and industry Stevan Santo.

The Supply of Oil Made Difficult

It is certain that the import of crude petroleum will not be realized to the extent foreseen in the energy plan for the country for this year. What is most essential is the fact that such quantities of oil (between 10 million and 11 million tons annually) cannot be transported by fuel carriers or in other traditional ways even if the appropriate dinar and foreign exchange sums are available. For this reason difficulties are unavoidable in the import, delivery, and processing of crude petroleum; this will certainly have an effect on the supply of the market with derivative products as well.

Problems With Invalid Dinar Banknotes Cited

92BA0125A Belgrade POLITIKA in Serbo-Croatian 27 Oct 91 p 13

[Article by Spasenija Vujosevic: "Serbia Flooded With Invalid Banknotes: Money in a Dirty Game"]

[Text] The National Bank of Yugoslavia is receiving information about the appearance of large quantities of invalid currency; how the Federal Executive Council, through tardiness, forced our monetary authorities to put invalid banknotes into circulation—from wartime reserves; the Slovenes have put almost one billion invalid dinars on the market, and they are buying groceries with them.

Contrary to all rules of banking operations, the Slovenes have put 4,801,000 invalid 200-dinar banknotes, or 960,000,000 dinars, into circulation on their territory, which are now "flooding" Serbia. On the pretext that they must pay off pensions and some other grants to the population, they carried out the whole operation of withdrawing invalid currency from the vaults only seven days before the introduction of cellulose money, which does not even have the word "coupon" stamped on it, as the sole means of payment, and which has been accepted in Slovenia since 8 October.

Just this small difference in time between these two Slovenian financial operations has resulted in numerous comments within financial circles. However, one is unanimous—that this is a question of a dirty game with money that should bring extra wealth to the Slovenes and to others—trouble.

That's just how it's happened.

The Innocent Are Suffering

The Slovene financial operations are mainly affecting innocent population. Our monetary authorities, not knowing that the Slovenes would reach for invalid banknotes, prohibited their exchange, but—several days late.

The Slovenes were quicker, so citizens are now turning constantly to our monetary institution with the question of what to do with this money, recently acquired through the sale of their goods.

"One man contacted us from Raska, for example, who had sold his two cows for a large sum of practically counterfeit money. He's asking what to do now, when was the exchange of these banknotes stopped. Several days ago we received information that a large sum of invalid banknotes was found in a traveler's luggage at customs in Subotica. They're calling us from all areas with the same question—what to do now. And large sums of money are at stake, not money that has been kept in pockets by chance," says Vojislav Tomic, general director for vault operations in the National Bank of Yugoslavia.

However, it is clear to the National Bank of Yugoslavia that this is a question of money that was subsequently "thrown in" and that ceased to be valid on 31 March, because the majority of this money, by all indications, was already withdrawn, and part of it destroyed. Thus the origin of the large sums of invalid banknotes, which have suddenly flooded Serbia, is completely clear.

Reserve Money

Nevertheless, the innocent population will be taken into account, so this money will continue to be exchanged, but a decision about this will be made later. However, it is clear that many people who are now coming forward have large sums of the invalid money not because they forgot to exchange it, but because of business in which they wanted to get rich quick, because they have received much more for their goods than they are worth.

"In this way, contrary to business ethics, an institution that pretends to receive international recognition and to carry the name of the central bank is engaging in such dirty activities. I don't know how it will establish its reputation in a world of strict financial regulations, which have already been seriously violated at the outset, when this operation with invalid money will be made public," says Tomic.

Part of the money that was proclaimed invalid on 31 March of this year was, in essence, not even real money, although it was issued in a manner prescribed by law.

"The public knew some time ago that, for example, 2,000,000 old dinars were put into circulation because of the exceptionally high inflation that was prevailing at that time, and money for cash payments suddenly disappeared, so there was no 'change' in sufficient amounts in the sums available. We were led into this situation by the Federal Executive Council, which was authorized at that time to make a decision. We submitted a timely request for the printing of this new currency, but it lay in the federal government for a whole 20 months," says Tomic.

Therefore, the National Bank of Yugoslavia was forced to shorten the expensive and long procedure of printing new money and to introduce currency that was in fact some sort of "wartime reserve" onto the market.

"We had an ideal solution and paper for currency that was foreseen for the country's exceptional needs, so we took advantage of this in order to react quickly and save the turnover of cash from the total blockade into which it had fallen," says Tomic.

Thus there was legally issued currency in circulation, but with some shortcomings that later made it a target of counterfeitors. Specifically, this currency was not relief printed, but offset printed, and did not have a watermark.

A Time of Counterfeiting

With all the trouble related to financial undiscipline and the Slovenian assault on our pockets, the appearance of counterfeit money has become more frequent.

"A counterfeitor of 1,000-dinar bills was recently apprehended and sentenced to 10 years at hard labor. And that's not all. All who have come into the possession of such currency and have been harmed can seek compensatory damages from him," says Tomic.

This counterfeiting has not been difficult to "catch." Only currency photocopied skillfully and at a high technical level has been in question.

"Nevertheless, uneducated individuals can recognize counterfeit banknotes only with difficulty, but if they're already dealing on the black market, they can at least be on their guard about checking whether the currency has a watermark and protective thread. They should bring every questionable banknote to an employee of a bank or currency exchange office who, if he considers that the currency is counterfeit, will take it and issue an appropriate receipt," says Tomic.

The Bureau for Production of Banknotes offers expertise about the value of currency and renders a "judgement" as to whether banknotes are real or false. If there is a case of counterfeit money, its characteristics are confirmed and a complete description is issued, with which all banks, currency exchange offices, and the Public Auditing Service immediately become familiar, and Interpol is certainly informed.

"Naturally, our country, as a signatory of international conventions, cooperates closely with Interpol, and information is exchanged as quickly as possible," says Tomic!

At this time of total financial undiscipline, "blessed" by certain regions that pretend to be a country, various types of counterfeiting of both domestic and foreign currency are possible. Therefore, when a bank teller says, "Wait, please," and you have brought a banknote bought on the black market, you have to think about the worst—that you have spent your money for nothing.

Slovenia

Ministry Approves Arbitration Commission Report

AU0912130491 Ljubljana Radio Slovenia Network in Slovene 1800 GMT 8 Dec 91

[Text] The Slovene Foreign Ministry this evening issued a public statement regarding the stance announced by the Arbitration Commission of The Hague conference:

The Slovene Foreign Ministry is very satisfied with the opinion of the Arbitration Commission and thinks that it made an objective evaluation of the actual circumstances existing within the disintegrating Yugoslavia and hence provided a more solid basis for further action at The Hague conference as well as for the recognition of Slovenia and the other legal successors of the disintegrated Yugoslavia.

Regarding the issue of succession, the Arbitration Commission stressed that this question must be resolved justly and that the conditions and modalities of succession must be mutually agreed upon by the states concerned. We must also ensure protection of human rights and the rights of minorities and nations.

From Slovenia's viewpoint it is also important that the Arbitration Commission fully accepted Slovenia's argumentation, saying that in Yugoslavia's case it is a matter of a break-up of the state and not the secession of some parts of it. This evaluation, which is now also shared by an objective international body made up of leading European legal experts, is also a result of the persistence of the Republic of Slovenia, which patiently and with reasoning pointed out true facts about the conditions of disintegrating Yugoslavia and which consistently and constructively strived for its formal recognition as a part of Europe.

The opinion of the Arbitration Commission will also assist international recognition of Slovenia and provide a solid basis for reaching solutions to all issues that arise during the process of succession, the statement of the Slovene Foreign Ministry reads.

Foreign Ministry Spokesman on Economic Situation

AU0712185091 Budapest NEPSZABADSAG in Hungarian 5 Dec 91 p 6

["O.L.G."-signed telephone interview with Ambassador Ivo Vajgl, spokesman of Slovenia's Foreign Ministry, from Rome; date not given: "Slovenia Would Rather Deal With the Economy"]

[Text] All of us can forget everything we learned about Hungary's borders in the last 72 years. For two days, we have been neighbors of the Ukraine, instead of the Soviet Union; Yugoslavia will soon be represented in the geographical lessons with three new states. Because of the telephone line problems prevailing in the Balkans, only our Rome correspondent could contact Ivo Vajgl and conduct an interview with him.

[NEPSZABADSAG] What do you hope for from an international recognition of Slovenia's independence?

[Vajgl] First of all, we hope that, with this, we can start our normal economic life. A part of our economy was hurt by the war that is continuing in neighboring Croatia. Our economy is also suffering the consequences of various forms of boycott, a boycott that Slovenia has been facing for some years, because the internal Yugoslav market has collapsed. Although we are formally part of many international agreements also as an important part of the former Yugoslavia, at the moment we are unable to communicate with the world at large in a normal way. Therefore, we are facing problems in implementing our economic program.

[NEPSZABADSAG] How many countries must act to make Slovenia's independence internationally valid?

[Vajgl] I would remind you of historical facts, namely that there were some economically strong states that played a role on the world stage even before being granted international recognition. To make it clear, we do not regard recognition as a precondition to statehood but, naturally, we regard this as highly important, because only a sovereign state can be a member of international organizations and institutions, like the World Bank, the GATT, and so on.

Speaking more concretely, we are not preparing calculations on how many states are ready to recognize Slovenia. The most fortunate thing would be if this recognition advanced parallel with the renewal process of the entire Europe and with the democratization of international politics.

[NEPSZABADSAG] What do you expect from the Hungarian Government regarding Slovenia's independence?

[Vajgl] It is no secret that we hope that the Hungarian Government will be among the first to recognize Slovenia's independence, because our neighborhood relations are excellent. The fact that both national minorities enjoy high-level support in full harmony with the principles of the Helsinki-process is very welcome and has been mentioned at various international forums. In addition, we also have close economic relations deriving from our similar economic structures. We have a mutual interest in democratic development, and this interest was manifested on both sides even at the time when the future of Europe did not seem as clear as it does today.

Croatia

Government, JNA Agree on Dubrovnik Cease-Fire

LD0712193791 Zagreb Radio Croatia Network in Serbo-Croatian 1800 GMT 7 Dec 91

[Josko Jelavic report]

[Excerpt] During negotiations in occupied Srebreno between the Croatian Government, represented by Ministers Davorin Rudolf, Ivan Cifric, and Petar Kriste, and the Supreme Yugoslav People's Army [JNA] command, represented by Vice Admiral Miodrag Jokic, an agreement was reached on the strict observance of a cease-fire throughout the Mekovic and Dubrovnik territories. Both sides agreed not to carry out any attacks; not to move their troops toward the opposite side; and not to carry out any actions on the land, sea, and in the air. Relevant commands issued precise orders to this effect at 1700 GMT today. The agreement provides for the measures of overseeing the cease-fire and the repelling of any armed conflicts and envisages the establishement of constant contact between relevant commands of the armed forces. In case of a dispute, the EC monitoring mission will be the arbitrator. This means, in practical terms, that the Gruz port blockade is lifted from 1700 GMT today. Boats will sail into and leave the port upon previous announcement and the search of cargo. The agreement provides for the reopening of sea links between Dubrovnik and Cavtat, Mokosica, Zaton and Mljet; reopening of roads; and the mending of electrical and water supply installations. The JNA will guarantee the personal safety of teams which will mend transmission lines and water installations in Komolac. Implementation of the agreement will be overseen by EC monitors at today's negotiations. [passage omitted]

Negotiations Result in JNA Evacuation Agreement

LD0812164491 Zagreb Radio Croatia Network in Serbo-Croatian 1600 GMT 8 Dec 91

[Text] After two weeks of negotiations, an agreement between the Croatian and Yugo-army sides was signed at the Intercontinental Hotel in Zagreb today. We have a statement on this by Croatian Deputy Prime Minister Mate Granic:

[Begin Granic recording] With great satisfaction I can say that we have finished all negotiations here and that we have signed an agreement with the Yugoslav Army [JNA] in the presence of Ambassador Van Houten and Mr. [name indistinct] about the final evacuation of all JNA units from Croatia. There is nothing more for

Croatia to do to fulfill the Hague agreement. Accord was reached on the military hospital, the Zmaj factory, the technical education center, and all other military installations. Croatia has thus fulfilled all obligations under the Hague document. I personally thank Ambassadors Van Houten and [name indistinct] for their assistance. [end recording]

1,600 Captives To Be Exchanged

LD0812152291 Zagreb Radio Croatia Network in Serbo-Croatian 1400 GMT 8 Dec 91

[Text] After two weeks of negotiations an agreement was signed today in Zagreb's I hotel between the Croatian side and the Yugoslav Army on the exchange of 1,600 captives held by both sides. Representatives of the ICRC [International Committee of the Red Cross] also cosigned the agreement. The exchange will take place on Tuesday [10 December] at 1000 GMT in Bosanski Samac, Kamensko, near Karlovac, and in the Montenegrin port of Zelenika.

The exchange will be monitored by the ICRC and, as it was announced at a news conference in the I hotel, negotiations will be started immediately on future exchanges. Hence, the next exchange of captives can be expected to take place as early as next week. Unfortunately, the agreement signed today does not include the names of Dr. Bosanac, Dr. Njavro, and Sinisa Glavasevic [Croatian Radio's Vukovar correspondent]. The agreement was signed on behalf of Croatia by Deputy Minister for Defense Stjepan Adanic; Colonel Mile Glumac, on behalf of the Yugoslav Army, and by [name indistinct] on behalf of the ICRC.

Krajina Government Examines Solutions to Crisis

LD0712190291 Belgrade TANJUG Domestic Service in Serbo-Croatian 1610 GMT 7 Dec 91

[Text] Knin, 7 Dec (TANJUG)—"The United Nations must respect the political will and identity of all conflicting sides, preventing solutions from being imposed on any side in the conflict in any way," it is stressed in the communique from today's Serbian Autonomous Region [SAO] of Krajina Government session, which examined the development of the situation regarding solutions to the Yugoslav state and political crisis and, in this regard, a possible arrival of the UN peace forces, as well as their deployment.

Neither the detailed public address nor the letter to the United Nations and The Hague conference contain any new elements which would draw attention to changes in the already well-known stands of the Krajina Government concerning the issues referring to its status and the will of its people to live together with all others who wish to remain in Yugoslavia. Furthermore, the Krajina Government once again issues a categoric warning that it will not be bound by any such agreements, as a whole or in part, referring to the status of Krajina unless they bear the signatures of its legitimate representatives.

The Krajina Government bases its stands on the generally recognized right of the people to self-determination, proceeding from the UN Charter and the two conducted referendums, which showed that the people of Krajina unanimously opted for living in a united state together with the Serbian people on the territory of Yugoslavia. The will of the Serbian people is binding on the government, it is stressed in the communique, which points out, among other things, that "between the will of the Serbian people of the SAO Krajina and the will of powerful institutions and organizations included in these talks on finding a solution to the Yugoslav state crisis, the SAO Krajina Government has decided in favor of the will of its own people regardless of the price which may have to be paid as a result of such a decision."

Krajina Assembly Approves Deployment of UN Troops

LD0812154691 Belgrade TANJUG Domestic Service in Serbo-Croatian 1532 GMT 8 Dec 91

[Excerpt] Knin, 8 Dec (TANJUG)—The deputies of the Serbian Autonomous Region (SAO) of Krajina Assembly today unanimously endorsed the stands of the Krajina government on the possible arrival and deployment of UN peacekeeping forces in the region. [passage omitted]

Rudolf Cites Excerpts From Vice Admiral's Letter

LD0612220291 Zagreb Radio Croatia Network in Serbo-Croatian 1600 GMT 6 Dec 91

[Excerpt] [passage omitted] Croatian Government Minister Davorin Rudolf, who is in Dubrovnik with ministers Ivan Cifric and Petar Kriste, addressed citizens of Dubrovnik on Dubrovnik Radio on two occasions, calling on them to be patient and hopeful, while reading out excerpts of the telegram of Vice-Admiral Miodrag Jokic, which reads, among other things:

Mr. Rudolf, may I express sincere regret over the difficult situation and the incident which has arisen. We have not issued this order and it is beyond my comprehension how such an action was taken. General Kadijevic sent a message both to you and to the European mission saying that he ordered a thorough investigation so that responsibility for this incident can be established and the culprits found. At the same time, we expect that your side will also establish responsibility in order that all circumstances in connection with last night's and this morning's events be clarified, Vice-Admiral Jokic said in his message to Croatian Government Minister Davorin Rudolf.

So far, 11 lives were lost in this incident, while 30 persons sustained serious injuries. At the request of the Croatian government representatives in Dubrovnik, ministers Davorin Rudolf, Ivan Cifric, and Petar Kriste, military authorities ordered their units in Dubrovnik cease fire from 1600 [1500 GMT] which is still holding, apart from some sporadic exchange of fire. The talks held in the occupied Cavtat, which started yesterday and were suspended today, should resume at 1200 tomorrow.

Pavelic Says Conflicts in 59 Percent of Croatia

LD0512185791 Belgrade TANJUG in English 1547 GMT 5 Dec 91

[Text] Zagreb, December 5 (TANJUG)—Vice Premier of the Yugoslav Republic of Croatia Jurica Pavelic today said that "armed conflicts are underway in 59 percent of the territories of Croatia where 60 percent of the population live, and where 24 percent of the total number of employed citizens work."

Speaking to deputies in the republican parliament, Pavelic underscored that the war in Croatia had caused a decline in industrial production of 30 percent against the last year, and 25 percent in exports.

All this, he warned, will also result in a drop of the social product by around 27 percent in the third quarter of this year.

If Croatia had not been exempt from the European Community (EC) sanctions, the results would have been even worse and exports completely paralyzed, Pavelic said.

The Croatian vice premier announced "new measures of the economic policy" which he said would yield results already at the beginning of next year.

The recognition of the internationl personality of Croatia, which is expected by the year's end, as Pavelic said, should give Croatia access to international institutions and markets next year, and enable the inflow of fresh foreign capital.

Monetary independence through a transition to its own currency has been postponed until the end of the year in order to avoid negative results of (hyper)inflation, Pavelic said.

Pavelic announced that industrial production would grow by six percent in every quarter of next year, and he said that special measures would be used to stimulate the production of goods for defence and for export.

Radio-TV Headquarters Attacked; No Escape Route

LD0612221891 Budapest Kossuth Radio Network in Hungarian 2100 GMT 6 Dec 91

[Excerpt] [passage omitted] A tragic situation has developed in Osijek and its surroundings. The village of Divos fell last night, while (?Tenjski-Atunovac) fell this morning. According to the most recent information, the Croatian forces are guarding the last line of this village. Many people would like to leave the town, but the Yugoslav Army is endeavoring for a complete blockade of Osijek, and for this reason is attacking the final road leading out of Osijek. The isolation of the Slavonian capital is nearly complete; there is no water or electricity in the town, and the heating supply has stopped in several places. Unfortunately, the first signs of panic are also appearing. The attacks which are taking place with shocking force against the town have become constant. At the time of the report, the radio and television headquarters are being shot at from tanks. We do not really know how long we shall have a telephone link with the outside world; the situation is more than tragic. You hear my report in complete dark, with the help of a (?candle) and a large coat. There is complete hopelessness.

[Zagreb Radio Croatia Network in Serbo-Croatian at 2100 GMT on 6 December adds: "Osijek was under heavy artillery attack today. Six people were killed and 24 wounded in the attack."]

Osijek Authorities To Sue Agencies for 'Lies'

LD0712172591 Zagreb Radio Croatia Network in Serbo-Croatian 1600 GMT 7 Dec 91

[Amoreta Hohsauer report]

[Excerpts] The lull in the fighting in Osijek and along the town's defensive lines all day today has surprised Osijek residents, but it did not deceive them. We are used to sudden and fierce attacks from the enemy, and one such attack, just to recall, claimed new casualties yesterday afternoon: Six people were killed and 18 wounded. [passage omitted]

Efforts by Zlatko Kramaric, our mayor, to save the town are being undermined by Serbian media's lies that the town allegedly surrendered. Therefore, it was decided today that TANJUG will be sued for such actions and that similar action will be taken against foreign news agencies which broadcast such lies without prior verification.

'Tensions Rapidly Rising' in Neretva Valley

AU0512165791 Belgrade Radio Belgrade Network in Serbo-Croatian 1400 GMT 5 Dec 91

[Dragan Mihovic report from Trebinje]

[Excerpt] The news that one member of the Yugoslav People's Army was killed and two wounded in the fighting the night before last is, unfortunately, correct. The positions of the Yugoslav People's Army were shelled today again from the region of Mali Ston and Ston, (?Konstari), and the villages of Oslje and Stupe. The temperature on the front is not falling. Tensions are also rapidly rising in the Neretva valley, especially in Capljina in Mostar.

Members of the [Croatian] Ministry of Internal Affairs and the Guard are mobilizing population in this area in order, as assumed, to organize them for the defense of Ston-Neum and Hutovo-Metkovic lines. [passage omitted]

Democratic Party Withdraws From Government

92BA0184C Zagreb VJESNIK in Serbo-Croatian 26 Nov 91 p 5

[Article by B. Podgornik]

[Text] The Presidency of the Croatian Democratic Party [HDS] announced on Monday [25 November] that it decided last Friday [22 November] to withdraw its signature from the agreement of the parties in the Assembly on the Democratic Unity government and also its representative in the government, Dr. Vladimir Veselica. The party is not opposed to Veselica staying on in the government as an expert, if the government should find it necessary, but not as a member of the HDS, we learned from the press release.

The party is "ready to take part in a future government if the impediments to its activity are removed, and here we are referring in particular to the president of the republic acting in compliance with the Constitution so as to bring about the prerequisites necessary for organizing more effective defense of Croatia and for ensuring the peace, security, and progress of the Croat people and the operation of a law-governed state."

The HDS proposes to the president of the republic "that he dissolve the Supreme State Council and convene a Homeland Forum consisting of the leaders of Croatian political parties, the leaders of the Assembly and the government, as well as distinguished Croatian citizens within the country and abroad, which on a platform of Croatian democratic unity would debate the fundamental guidelines of future Croatian policy in this truly crucial moment."

The press release recalls that in its program the HDS advocates "a policy of Croatian democratic unity, which would result in the most effective measures to preserve the sovereignty and territorial integrity of the Republic of Croatia." But "the way in which the government has operated and its role in Croatian political life do not offer us any guarantee that it will be possible to achieve those objectives even in the future unless there is an essential change in the mode of operation and role of the government, the Croatian Assembly, and the president of the republic."

The press release warns that the "predominant position" of the president of the republic "in the area of executive authority," in which the "Supreme State Council, as a paragovernmental body, adopts resolutions and takes positions on all the most important issues of Croatian policy, thereby pushing the government and Assembly to the periphery." In spite of taking part in the government, "the HDS has been unable from the beginning to the present day to have any essential influence on the course of Croatian policy."

Policemen Charged With Death of HSP Leader

92BA0184A Split SLOBODNA DALMACIJA in Serbo-Croatian 23 Nov 91 p 9

[Article by J.]

[Text] Zagreb, 22 Nov—The district public prosecutor's office in Zagreb has completed the investigation and filed charges in connection with the murder of Ante Paradzik, vice president of the Croatian Rights Party [HSP]. The accused are policemen: Zeljko Vucemilovic-Grgic is charged with murder and attempted murder and Branko Matosevic, Zeljko Ceko, and Pasko Palic with attempted murder. A press conference in which Goran Mikulicic, public prosecutor, and his deputy, Ante Nobilo, presented what was learned during the investigation was arranged today in this connection in the district public prosecutor's office in Zagreb.

According to the indictment, on or about 2220 hours on 21 September of this year at the control point "Hedgehog 2" in Sesvete the accused opened fire on an automobile, a "Lada-Niva" registered in Karlovac, which had previously been stopped and which contained the driver Branko Perkovic and passengers Ante Paradzik and Ivan Orsanic. Ballistic study established that Vucemilovic fired at least 26 rounds from an automatic rifle, three of which were fatal for Ante Paradzik, because they pierced his liver, the lower portion of the right lobe of the lungs, and the pectoral aorta. Vucemilovic hit the driver Perkovic in the arm with another three bullets. It was also ascertained that Palic fired at least 14 rounds from an automatic rifle, Matosevic at least seven, and Ceko at least two rounds. In that gunfire, the policeman Zeljko Ceko was wounded in the leg, but by a bullet from his fellow policemen, because the policemen were deployed on both sides of the road, and they opened a cross fire on the stopped automobile.

Forensic study showed that no shots were fired from the automobile, although there were weapons in it—an automatic rifle and the pistol belonging to Branko Perkovic, the chauffeur. This was established during an examination of the weapons found, but also by taking fingerprints, referred to as wax gloves, from the hands of Perkovic, Paradzik, and Orsanic.

Emphasizing that the investigation was conducted in detail, comprehensively and competently, Ante Nobilo said that all the policemen from the checkpoints in Dugo Selo, Sesvetska Sela, and Sesvete involved in any way in this event had been interrogated. The deputy public prosecutor presented in public the chain of events, already more or less known, whereby one policeman at the checkpoint in Sesvete recognized Branko Perkovic, the chauffeur, and because he is related to some Martic-ite, he suspected the Martic-ites were in the "Lada-Niva." He reported his suspicion to the checkpoint in Sesvetska Sela, but because they did not succeed in halting the car there, this was done by the police at

Sesvete, but in a manner against regulations and impermissible: by firing on the car, and that was done without any prior verification.

All of this was learned from the tapes of the conversations between the policemen at the various checkpoints. From the checkpoint with the code name "Drava 778," a report was made to the point "Korana 406" that they should try to halt the car. The policemen at the second point were unable to do that, because it was dark, after the sun went down, and a policeman, fearing possible shots from the car, hid behind a concrete pillar and reached out his hand in which he held a sign saying "Stop" that was not lighted. The driver probably did not even notice it, and he continued on his way. However, at the checkpoint "Hedgehog 2" in Sesvete, they did stop the automobile, and Zeljko Vucemilovic immediately began to shoot, although he had been notified only of a certain suspicion concerning the passengers in the car. As a matter of fact, none of the policemen at those three checkpoints even knew who was in the car. According to what Mr. Nobilo said, only when the shooting stopped did the driver Perkovic say: "You have killed Ante Paradzik," and then the policemen put their hands to their heads.

Goran Mikulicic, public prosecutor, said that the police did not follow procedure nor did they act in a professional manner and should not have halted the car with gunfire, because there are appropriate mechanical means of forcing it to stop.

It is interesting, however, that on 5 September, that is, two weeks before Ante Paradzik was killed, Zeljko Vucemilovic-Grgic also committed a breach of regulations when at almost the same checkpoint, stopping a military truck, he opened fire, and on that occasion seriously wounded a soldier. Vucemilovic should have been suspended after that, but that was not done. Only after the second incident, after Paradzik's murder, were criminal charges filed by the police, and they pertained to the first case.

In the district public prosecutor's office, on the basis of all they learned, they exclude the possibility that the killing of Ante Paradzik was a political assassination. However, because Dobroslav Paraga, leader of the HSP, in an interview with a Canadian magazine immediately after the unfortunate event in Sesvete, declared that he had knowledge that this was a deliberate political assassination of Paradzik, his vice president, the district public prosecutor's office called on the Ministry of Internal Affairs [MUP] to contact Paraga and ask him for information concerning the facts to which he referred in the interview. The police did that on 30 September, but Mr. Paraga supposedly said on that occasion that he would give the information only to Ante Nobilo, who is in charge of the murder investigation in the prosecutor's office. Then Dobroslav Paraga was summoned to the prosecutor's office and responded only to the second summons, and said in a conversation on 11 October that he had learned from two mutually independent sources that the murder of Ante Paradzik was organized in the top republic leadership. However, he did not want to present either the details or the names of his informants, out of a desire to protect them from possible reprisals. The prosecutor's office then called upon Paraga to file criminal charges against persons unknown, and they would undertake a further investigation, but to this day he has not done so.

The judicial procedure, it is assumed, might begin in early December.

Serbia

Deputy Minister Kosutic Says EC Not 'Impartial'

LD0412174791 Belgrade TANJUG Domestic Service in Serbo-Croatian 1240 GMT 4 Dec 91

[Text] Belgrade, 4 Dec (TANJUG)—It is perfectly clear that the UN role in the resolution of the Yugoslav crisis is indispensable, because the EC does not show the necessary degree of impartiality, Serbian Deputy Prime Minister Budimir Kosutic stated today.

At a regular news conference he stressed that this does not mean that Serbia will leave The Hague conference, but added that it presupposes that the conference will work according to international documents and its own rules.

In connection with the recently adopted EC sanctions against Serbia and Montenegro, Kosutic said that the stand of the Serbian Government is that the EC is continuing with an open violation of international and its own documents and that it has not been acting as an impartial subject. The Serbian Government prepared, Kosutic said, a series of activities to reduce the impact of sanctions and to alleviate its consequences.

Assembly Adopts Declaration on EC Sanctions

AU0612182091 Belgrade Radio Belgrade Network in Serbo-Croatian 1400 GMT 6 Dec 91

[Excerpt] The Assembly of Serbia has adopted a declaration concerning the EC's pressure and economic sanctions. This document states that the Assembly of Serbia is addressing the domestic and international public and all parliaments of free countries, and that it draws attention to a great danger to the international order because of the precedent that was made by the adoption of unilateral and unsubstantiated sanctions by the EC against Serbia. The adoption of the declaration was preceded by a three-hour discussion that was more stormy and more bitter than the discussions that have been conduced in the last few months. It was prompted by deputy Mihajlo Markovic. Nebojsa Spajic reports:

[Spajic] The declaration that was adopted after such polemics, about which we shall say something later, states, among other things, that the EC's action and sanctions are in direct opposition to international law and represent the violation of the principles of the United Nations and the CSCE. This pressure threatens the foundations of relations between European and other free peoples and countries and undermines confidence in the institutions of the international legal order. The dangers that stem from this threaten other areas of Europe and the world and could be a prelude for other unilateral and arbitrary violations of principles regulating interstate relations.

The decision to apply sanctions against Serbia, the declaration states further, represents impermissible interference in the internal affairs of another country, and is aimed at undermining stability in this very sensitive area in Europe. The sanctions violate the agreement on cooperation between the EC and Yugoslavia, because this document does not envisage the possibility of such suspension of relations, and requires parties to give six moths notice for the unilateral cancellation of the agreement.

The principles of nondiscrimination in relations between the EC and other states are also threatened. These measures also imply the violation of the provisions of the general agreement on tariffs. The efforts of the twelve to proclaim Yugoslavia as nonexistent through pressure, in a way that is not envisaged in international acts, could have very dangerous consequences for peace in Europe, the declarations states. This could only make the denouement of the Yugoslavia crisis more difficult.

The declaration states at the end that the citizens and the Assembly of Serbia hold the view that such pressure insults dignity and patriotic feelings.

The declaration was adopted unanimously. The committee for foreign policy will further improve it stylistically and grammatically and will add several specific amendments, among which is the demand that the government set up a commission that would help all firms that are affected by the sanctions to realize their rights in the international court in The Hague. [passage omitted]

Defense Minister: Military Goals Achieved

LD0612231391 Belgrade TANJUG Domestic Service in Serbo-Croatian 1744 GMT 6 Dec 91

[Excerpt] Nis, 6 Dec (TANJUG)—From a military point of view, the war aims have been achieved. Most of the Serbian population in the administrative part of Croatia are protected and now it is up to the official political top authorities to seek a solution to the war in a peaceful way, a war which only requires that Serbs in Yugoslavia receive the same treatment as other peoples, the Serbian defense minister, General Tomislav Simovic, said today at the Nis university in the course of his conversation with the students and lecturers of this higher education institution who had taken part in the combat operations in the country's crisis areas.

That the Yugoslav People's army [JNA] is characterized as Serbian, and that its pro-Serbian stand is being stressed, this fact, General Simovic stressed, is due to the series of political and historical coincidences which helped the Army side with the endangered Serbian people rather than to the Army's being Serbian. Simovic added that the JNA has no territorial ambitions despite all the internal and external attempts to blame it for this. General Simovic called on the student-soldiers to be "ambassadors" among those young people who have faltered or behaved in an unsoldierly manner. General Simovic said that about 10,000 individuals faced charges, raised by the military authorities and organs of internal affairs, for dodging their military duties. [passage omitted]

Army Refuses To Evacuate Barracks in Kamensko

AU0812165491 Belgrade Radio Belgrade Network in Serbo-Croatian 1400 GMT 8 Dec 91

[Sinisa Stamatovic report from Kordun]

[Excerpt] For several days already, Tudjman's fighters have maintained a constant (?target) on the Karlovac-Kordun battlefield—the barracks in (?Mekusje) and Kamensko. With their almost constant provocations, they are trying to satisfy the Karlovac leadership, which persistently insists on negotiations with the military authorities about the evacuation of these barracks. Representatives of the Yugoslav People's Army are categorical: There is no reason to evacuate [word indistinct], weapons, and personnel from the barracks in (?Mekusje) and Kamensko, because those facilities are on this side of the Korana River, that is, on the territory if the Serbian Autonomous Region of Krajina. For this very reason the Ustasha provocations are simply in vain.

The Croat paramilitary forces opened fire from infantry weapons and mortars at the barracks in Kamensko and (?Mekusje) last night again. As Lieutenant Vladimir Dragovic told us today, after this persistent provocation, the Army was forced to respond fiercely. [passage omitted]

Democratic Party Criticizes Milosevic, Army

AU0812175191 Belgrade Radio Belgrade Network in Serbo-Croatian 1400 GMT 8 Dec 91

[Text] The Main Committee of the Democratic Party held a two-day session in Vrnjacka Banja and adopted several decisions and announcements, one of which, the Declaration on the Future of Serbia, attracts a special attention. Here is a report by Marko Markovic:

[Markovic] The Declaration on the Future of Serbia that was adopted today by the Main Committee of the Democratic Party, among other things says the following, I quote: Slobodan Milosevic's personal policy over which the National Assembly, political parties, or citizens have no influence, has brought the Serbian people into the danger of being destroyed both in Serbia and beyond. Serbia is completely isolated, without friends, and is facing the danger of breaking apart.

The Democratic Party can no more—in the name of national unity because of the war—tolerate the policy leading the Serbian people and citizens of Serbia into destruction and poverty.

Serbia should be a sovereign state within present republican borders. It should have its constitution, its army, and its money.

The Serbs who are living in some areas in Croatia and Bosnia-Hercegovina as a majority, just as the other Yugoslav people, have the right of freely deciding in which country and what kind of country they want to live. They should realize this right of theirs through negotiations with Croats and Muslims and through an agreement within The Hague Conference. Serbia should join a state community with the states that thereby (?remain), and with Montenegro, if they want to do so.

Instead of parliamentary democracy, it is further said in the declaration, a presidential system was introduced in Serbia that resembles the one-man reign from the times of Tito's Yugoslavia. Therefore, it is pointed out in this document that Serbia needs a thorough and urgent democratic reconstruction, that is, a change of the political system.

The Main Committee of the Democratic Party has also condemned the Yugoslav Army for shelling Dubrovnik and Osijek.

Several more announcements regarding the political situation in Serbia and economic sanctions imposed on this republic have also been adopted.

Reaction on Announcement To Ban SDA in Sandzak

92BA0184D Belgrade BORBA in Serbo-Croatian 23 Nov 91 p 13

[Article by Z. Saponjic: "We Will Register in Sandzak"]

[Text] "Whenever the ratings of the Socialist Party of Serbia [SPS] fall, it commences attacks on Muslims, Albanians, and other non-Serb nationalities in order to justify itself and court Serbian extremists in that fashion. We in the Democratic Action Party [SDA] are not surprised at all by the most recent announcement of the government of Serbia that it will prohibit our operation."

These are the words with which Sulejman Ugljanin, president of the SDA and the Muslim National Council of Sandzak [MNVS], commented yesterday for BORBA on the recent assertion of Radmilo Bogdanovic, former minister of internal affairs of Serbia and now a deputy—to the effect that the "competent republic services are working seriously to prohibit Ugljanin's SDA."

Asked whether following Bogdanovic's words he expects specific action by the Serbian authorities, Ugljanin emphasized that when "the prestige of the Serbian people in the world has been utterly destroyed and when a war has been brought about," anything can be expected of the SPS, including a ban on a "democratic party like the SDA of Sandzak." "Let them go ahead with what they have in mind, there is total lawlessness in the country anyway," Ugljanin added with the assertion that his party would not sit with folded hands either.

"We are receiving increasingly numerous demands that the SDA for Serbia register with the Muslim National Council of Sandzak. That possibility was envisaged in our documents, which state that the MNVS can take over that function after a referendum in a case of anarchy, and that will not change anything essentially," Ugljanin asserted. "Conditions for life are even now abnormal in Sandzak. The republic has instituted total occupation, but we hope that changes for the better will occur even in Serbia."

Following the announcement of Radmilo Bogdanovic, the Executive Committee of the SDA of Sandzak also issued a press release which stated that the "party in power, following the tried and true formula whereby repression and prohibition are resorted to when a political opponent cannot be outwitted in a regular political competition," and that by that act "it wants to smother every differing opinion and create the ideal basis for development of an authoritarian regime."

"While outright calls for war and advocacy of religious and interethnic enmity are tolerated coming from various Seseljes and Jovices, without one serious argument they ban the operation of a democratic political party which up to now has made use of only rights and democratic forms of political struggle guaranteed by international legal documents. We believe that this ban of the SDA will be condemned by most of the opposition parties in Serbia, because the Muslim people clearly favors a community life and cohabitation with the Serbian nationality, but it is against the policy of the SPS," states the press release of the Executive Committee of the SDA of Sandzak.

Kosovo Leader Proposes International Status

92BA0170A Belgrade BORBA in Serbo-Croatian 25 Nov 91 p 11

[Interview with Skeljzen Malici, president of the Social Democratic Party of Kosovo, by Jovan Radovanovic; place and date not given: "A 'Southern Front' in Reserve"]

[Text] Skeljzen Malici, the 40-year-old president of the small Social Democratic Party of Kosovo [SDPK], a man who is not unknown to the Yugoslav public, a journalist who has had quite a bit of trouble even among "his own" because of his frankness, is interviewed by BORBA on the (im)possibilities of a Serbian-Albanian dialogue, on the realistic and unrealistic options for Kosovo and Metohija, about what the 15 Albanian parties have in common, and about what the "small" parties have against the largest one, the Democratic Alliance of Kosovo [DSK]....

[Radovanovic] Although war is blazing in the west of the country, the "southern front" is constantly mentioned as one of the greatest threats. How is it that to this day the Albanian parties have not raised the uprising, which some would like to see and of which some are exceedingly afraid?

[Malici] I do not believe that anyone desires a "southern front." It is clear, after all, that conflicts on this soil would be immediately internationalized. Albania is experiencing serious troubles, but it certainly would not look on calmly as a front is opened both against fellow Albanians and on its own borders. And then that could no longer be only an internal conflict, but would soon be transformed into an intergovernmental and then probably also Balkan conflict.

The Regime Needed the War

I say that the present war was an internal political need of the Serbian regime. It helps to maintain it, because after 9 March it was in real danger of falling, and that is why it needed this war. However, the Serbian regime did not foresee that the war would last this long, and so the "southern front" remained in reserve. I think that they were ready not only to shed a little blood here in Kosovo, but also to drive long lines of refugees from here in the direction of Albania.

[Radovanovic] Many people familiar with the mentality of the Albanian people could not understand what is called here the "Gandhian resistance." How are we to account for that change?

[Malici] People here have shown an incredible patience. The regime is applying here a dangerous kind of provocative repression which, I am afraid, will one day have the gravest consequences for the Serbs in Kosovo. It must not be forgotten that the Albanians are more or less mountaineers and will not be able to suffer for very long the humiliations to which they are now being subjected.

At the same time, although we are often reproached for provoking war, the great cautiousness of the Albanians is obvious, because we here have had the best chance to "smell" the power of that authority. We know of certain meetings behind closed doors in which it was said: We would welcome an Albanian rebellion to rid ourselves of them once and for all! We also know that since '87 they have been distributing arms among the Serbs. And finally, after the eighth meeting and the rigged rallies and after extremists like Bogdan Kecman came to power in Kosovo the Serbian government has long been "telegraphing" to us through its periodicals what it intends to do with us. That accounts for the caution and patience in spite of all the humiliations to which we here in Kosovo have been subjected. We know that we can obtain our objectives by another road.

Kosovo Is Lost to Serbia

[Radovanovic] What are those objectives?

[Malici] Unification of the Albanian people.

[Radovanovic] Does that mean that nothing has come of Kosovo a republic?

[Malici] No, because everything depends on how events develop. I am speaking to you about a view which is most widespread among Albanians in Kosovo today, after everything they have experienced from the Serbian and Yugoslav state in the last decade. If most Albanians did not want to be in the Serbian state even earlier, there were many who felt that Kosovo's place was in a Yugoslav federation, with the status and rights of a republic. After everything that has happened, they are now in the minority. After all, the repression being administered drives people either to accept the status of a second-class citizen or to commit themselves to secession. There is a very strong current among the Albanian parties which advocates unification with Albania without delay.

[Radovanovic] And what do you think about that?

[Malici] I think that that is an unrealistic option at this point and in that I completely agree with Adem Demaci. Recently, risking his immense popularity among the Albanians, sacrificing even some of his political commitments for which he spent so much time in prison, he told us that an agreement with the Serbs was indispensable. Better now than after some war or after 20 years. After all, whether we like it or not, we will always be neighbors of the Serbs.

The problem, however, is with whom to negotiate. Over the long term, the Milosevic team is losing, so it does not pay to enter into negotiations with them. If a democratic Serbia existed, I believe that common interests could be found. Anyone in power in Serbia must first realize that Kosovo is lost to Serbia. Some new team would then have to radically alter the century-old repressive policy toward Albanians and try to put together some kind of alliance with them.

[Radovanovic] Do you think that this you say is happening in Kosovo is also a consequence of the former repressive policy of the Albanians toward the Serbs?

Revanchism Leads to War

[Malici] The Serbian regime is using that line of argument here to legalize the forcible alteration of the ethnic composition of the population. They say to us, you Albanians have altered the ethnic composition of Kosovo by force over the last 300 years. I do not think that that is so, but let us assume that it really was so. Can someone today, in Europe at the end of the 20th century, take that kind of revanchism as the basis of his policy?

That illusion about the change of the ethnic composition of Kosovo by force will return to the Serbs here like a boomerang. Just think, now there are 1.8 million Albanians living in Kosovo and 200,000 Serbs. Suppose the authorities forced 300,000 Albanians to move out, which is a figure often referred to. And also suppose that 300,000 Serbs move in, which would be hard to do; there would still remain 1.5 million Albanians here. Given their demographic growth, in 10 years they will again have 1.8 million.

That is why I would prefer to talk about real options. Such undertakings would be beyond even a much stronger state than Serbia. Perpetuation of the present policy toward Kosovo will merely cost the Serbian people dear because it will require large investments, sacrifices, denials, only to have a southern border that is always uncertain. Although Kosovo possesses substantial resources, its "deportment" will always be a brake on Serbia's economic development. That is why I think that the present policy is not in the interest of the Serbian people.

[Radovanovic] And what is?

[Malici] As I have said, to attempt to make of the Albanian people an ally, not an enemy. The policy of historical revanchism which is now being conducted here can only end in a war for mutual eradication. I do not know what chances the Serbs in Kosovo have to survive it, nor do I see that the potential of the Serbs from Serbia is so great that they would all come here to fight.

It is shameful that a primitive policy of discrimination toward Albanians is being conducted here, that a virtual apartheid is being instituted, in the name of that historical revanchism. A hundred thousand people have been left unemployed only because they are Albanians. Do you think that that will improve production, that that will strengthen the Serbian economy? No, it will stagger for decades under that burden. We will go hungry, but the solidarity in the Albanian people is so great, the assistance is so well-organized, no one is forgotten, and we will surmount those troubles.

The position of understanding of which I speak, however, must be built from both sides. I do not see people of that kind in Serbia now. Only when people emerge who will be able to reach out their hand in spite of the 10 years of propaganda that we Albanians are beasts, murderers, enemies of the Serbs, would we be able to do something together. And it has been demonstrated in this war phase that we are not enemies of the Serbs at all. We have not murdered anyone, we are only victims in a way.

God and the Americans

[Radovanovic] It is said that a meeting of the entire Albanian nationality has been set for 28 November in Tirana. To what extent and in what manner could this affect the resolution of the Kosovo crisis?

[Malici] I do not have altogether clear information as to who is organizing that, but I think that the idea came from Kosovo's intellectual circles which favor unification with Albania now and immediately. Under present conditions, that for me is an unrealistic option. It would require that the Albanians enter the war against the Serbs, and that would be insanity. In the first place, the Albanians do not have the strength for that, and in the second, war is not a solution at all. Only if they were aided by God and certain powerful allies as well.

[Radovanovic] The Americans?

[Malici] I do not know.

[Radovanovic] There is a lot of talk in Pristina about American bases soon being set up in Albania. How much could that affect events in Kosmet?

[Malici] It could have an essential impact depending on the arrangement that is reached. The Americans, as is their custom, have been cautious in defining their interest in Albania and also in the Albanians in Kosovo.

[Radovanovic] Is it true that Ibrahim Rugova's Democratic Alliance of Kosovo is also under great American influence?

[Malici] That is true in part. The DSK relies on the United States especially in a propaganda sense, much more than on Europe. I think that that is a shortcoming, that there should be contacts with the European 12 as well, with Poland, Czechoslovakia, Russia. In the Balkans, aside from Albania, there should also be contacts with the Bulgarians, with the Greeks, because certain new alliances in the Balkans are just over the horizon.

[Radovanovic] You are a member of the coordinating committee of Albanian parties in Kosovo. How does it operate?

[Malici] My party is on that committee, I am outside it. It is a rudimentary coordination. You must realize that we have one party which is dominant, which assumes the risk of defining both day-to-day politics and strategic moves, and this advisory body serves it only in that it gives it a pluralistic form. We in the smaller parties are not altogether satisfied with that kind of coordination, because certain forms of political monopoly we are familiar with from before are being repeated. The strategic decisions are being made in quite small informal groups. I personally think, although in this I do not have support in my party, that we in the smaller parties should therefore pass over into some kind of "quiet opposition," because at this moment we cannot have a true opposition for understandable reasons.

[Radovanovic] The dominant party is the DSK. What do you have against it?

[Malici] Yes, it is the DSK, and we reproach it for the waiting strategy in which the people is left to its own devices, it does not know how to get its bearings, and the situation is very serious from the social and existential standpoint, resentment is smoldering, and it could explode very dangerously at any moment.

[Radovanovic] In conclusion and briefly, which option for Kosovo is the best today, in your opinion?

[Malici] I think that it would be best for everyone in this region to bring in an international administration, to set up mechanisms that would guarantee the rights of minorities, in this case the Kosovo Serbs, so that after 10-15 years, when we have both learned to concern ourselves with more intelligent things than war, we will see what to do after that. I believe that then borders will already be utterly unimportant.

Or for Kosovo to be included as a territory in a regional alliance that would be under the protection of an organization like NATO, in which both Albania and Bulgaria have already been showing exceptional interest, and Greece should also be counted on. And that alliance, as a federation or confederation, no matter, would be included in the European integration, because we think that this syndrome in our country of creating national states is utter insanity and an anachronism.

Bosnia-Hercegovina

Production of Chemical Weapons Near Mostar

92BA0184B Zagreb VJESNIK in Serbo-Croatian 26 Nov 91 p 8

[Article by Mate Zelenika]

[Text] Mostar—Those who did their required military service in special ABC [Atomic-Biological-Chemical] units of the Army can testify that they handled chemical weapons during their specialized training. ABC sections exist in every military formation of any size, but they do not all go through the same training. The best-known training ground for members of this arm is not far from Skoplje. We have learned from recruits who trained at that facility that officers of the JA [Yugoslav Army] "treated" them with chemical weapons so that they would gain a better mastery of the topic "Recognition of Chemical Weapons." "They worked" under full ABC protection and with greatly diluted versions, but still, they recall, they were not indifferent when after an analysis of samples on the instruments they read: nerve, blood, or blister gas....

In spite of the denial before the public world, the Army nevertheless does possess this type of weapon. Army apologists might say: These are diluted versions! But it must be borne in mind that neither concentrates nor "diluted versions" have ever been an article in international transactions in the arms trade. Which leads to another conclusion: The JA is itself manufacturing those "diluted versions" for training purposes. But is it any problem for someone manufacturing the "diluted versions" to also produce the authentic chemical weapon? The question inevitably arises: Where are the "death factories" located?

Behind Barbed Wire and a Mine Field

In spite of the demystification that has opened a gate that until yesterday was closed under 10 locks, this topic is still classified as "strictly confidential"! But that "strictly confidential" does not have the importance today it once had. People are talking more freely. And although there are discrepancies in the stories about the location of chemical weapons factories, on one point they agree: that the "heavy" chemical weapons factory is in the settlement Vrapcici, a few kilometers north of Mostar. In that settlement, one sees a rather low building enclosed at a radius of 1 km by two barbed wire fences. There is an interval of some 10 meters between the first and second barbed wire fences and most likely a mine field. So far, no one has dared to check. It is impossible to verify the activity of that military facility through official channels. Military officers, however, have never denied the numerous assertions about this "institution" as a site for weapons production. That is enough to arouse reasonable interest.

There is no dispute that the construction work on the "institute" was completed in 1965. Although then the local people noted "unusually deep foundations," which means that most of the installation is beneath the surface in the harsh stony ground of Hercegovina, it seems that the key year in the operation of this installation was 1975. One retired officer of the JA told us that special furnaces were imported for the factory from France that year. These are boilers of a kind with thick steel walls and plugs of special gold alloys, 2 x 6 meters in size, the kind that are indispensable in the process of manufacturing chemical weapons. According to what we were told, those furnaces were delivered by the French firm "De Dietrich" secretly, by order of the upper echelons. However, it could be that the French trading partners were deceived concerning the purpose of these furnaces, because the entire transaction was wrapped in "civilian cellophane." The importation was done by the Sarajevo firm "Medikomerc." That transaction, they say, still exists only in the memories of those involved.

One Croat Employed

The enigmatic nature of the facility in Vrapcici is compounded by the strong security, consisting of professional soldiers and several military-trained dogs, who constantly patrol the enclosure, lighting has been installed that would do justice to the stadium of the HASK [Croatian Amateur Soccer Club]. The number of personnel is unknown, but the ethnic structure is known. All the employees are Serbs or Montenegrins. Experts have been moved here from Belgrade, Pancevo, and Zemun, while the rest are "locals." There is one Croat employed in the factory, the doorman, to whom fellow members of his nationality give a wide berth. New workers are hired, from the cleaning woman to the director, exclusively by the direct and discretionary decision of someone in the SSNO [Federal Secretariat for National Defense]. First, members of military security study the family tree of the potential worker "from great-great-granddaddy to the present day." But regardless of the selection, people nevertheless feel the pressure from the nature and mysteriousness of the work.

By means of the furnaces imported there from France, it is possible, from components used in the chemical industry (usually the cosmetic industry), to manufacture "sarin," "soman," "tabun...." Until recently, most of the factory's capacity was oriented toward manufacturing tear gas. It was packed in metal canisters marked "CS-4." The remainder of production here is also performed under code names. Most of the employees do not even know what they are making. The production process is so organized that only a few supervisors know all the details. The operatives themselves only receive an order: Mix components A, B, C, in such-and-such proportions, at such-and-such a temperature, under such-and-such pressure.... Members of ABC units from Skoplje recall that they could read on the instruments several types of chemical weapons: nerve types, psychogenic types, and blood types.

Our study concerning the factory in Vrapcici indicates the possibility that the finishing phase of "processing" takes place somewhere in Serbia. Those with whom we talked say at the Lucani explosives factory near Cacak. It could be that they fill various kinds of conventional munitions here with chemical weapons. This is indicated because refrigerated trucks with license plates from Cacak, Pancevo, Krusevac, and Belgrade visit the factory in Vrapcici. The visits are always at night, and when a truck is leaving the "institute," military police units completely block the main highway between Sarajevo and Mostar.

Local People Without Water

A dispute between the local people and the mysterious factory is indicative. Five extremely strong water pumps, sufficient in capacity to supply Mostar, were installed at the local water source to meet the needs of production. When they were installed, the local people were promised that they would operate only two hours a day. But sometimes they operate 24 hours, and many local people are deciding to dig wells even though they are connected to the water supply. All the protests of the local people because of failure to respect the agreement have been in vain. The Army is not accountable to anyone! Recently, the stream from the faucets of the people of Vrapcici has been getting thinner and thinner, which indicates that production is being stepped up. The Neretva valley is well-known for its above-average number of registered malignancies, and some of the members of the Party of Greens from Mostar are inclined to the assertion that all of this should be attributed to the plant in Vrapcici. It was once said that this occurred because of the immoderate application of pesticides, but the "Greens" say: In the Neretva valley, pesticides are not used more than they are in other regions!?

The chemists with whom we consulted say that the process of manufacturing chemical weapons under the conditions described cannot be hermetically sealed, and they allow a direct connection between that production and the above-average number of malignancies. Everything that is taking place there is a secret only for those who are most threatened! There is no doubt that someone in foreign intelligence services could inform VJESNIK readers in much greater detail and with a much less strenuous investigative effort. But....

Republic Nearing Economic Collapse

92BA0126A Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 28 Oct 91 pp 15-16

[Article by R. Cehajic: "Multifaceted Blockade"]

[Text] The blockade of the Port of Ploce has had a catastrophic impact on the economy of Bosnia-Hercegovina; direct losses caused by the war are estimated at 8.7 billion dollars; in what currency to account for transactions already concluded with Slovene enterprises?

The economy of Bosnia-Hercegovina is about to collapse. Production is falling rapidly, reserves of raw materials and production materials are exhausted, exports are stagnating, and there is increasingly less foreign exchange. It has been possible until recently to withstand the negative tendencies in economic operations until the flames of war in Croatia cut Bosnia-Hercegovina off from other parts of the country and abroad. The war has not only interrupted communications and the supply of enterprises with raw materials, energy, and production materials, but it has almost paralyzed the operations of the most important local facilities. The blockade of the Port of Ploce, through which several key factories are supplied with raw materials and energy, has had a particularly severe impact on the economy of Bosnia-Hercegovina. The Zenica Foundry and the Lukavac Coke-Chemical Plant have found themselves in an exceptionally difficult situation because of this. Zenica metallurgists are helpless without ore and coal for coking and, although the Foundry has already been working at minimum capacity for months, the blockade of Ploce has led to the brink of catastrophy. The blast furnaces and the fifth coke battery are being maintained in a ready state (they're turned on, but not producing) but can be turned off at any time; this would lead to heretofore unprecedented consequences for the largest foundry in Yugoslavia. The difficulty of the situation at the Lukavac Coke-Chemical Plant is best illustrated by the fact that the management of this enterprise sent a letter to the Army in which they request that the military immediately lift the blockade of the Port of Ploce and permit a ship with 36,000 tons of coal to enter the port. If this shipment does not reach Lukavac, the Plant will also suffer agony. The situation is similar in the majority of other enterprises as well: "Energoinvest," UNIS [the Associated Metal Works], FAMOS [the Sarajevo Metal Factory], coalmines, metal processing, and other plants.

The war has reflected directly on the operations of all these and other firms, inflicting huge losses. The government of Bosnia-Hercegovina estimates that the direct losses resulting from the war are about 8.7 billion dollars, and if the situation does not improve quickly, this republic will have daily losses measured in the hundreds of millions of dollars. However, the losses are far greater than the drop in production and exports, since 3,700 railroad cars loaded with goods destined for abroad stand paralyzed on the rails.

The blockade of the transportation network is something that is most affecting the economy of Bosnia-Hercegovina, especially the Port of Ploce, at the moment. No one here dares to predict how long this blockade will last. If it lasts longer, the whole economy, even defense industry plants, will stop. This central Yugoslav republic is practically cut off from almost all parts of the country, except Serbia and, to some extent, Montenegro. Bridges over which connections by road are maintained are destroyed in border areas. The uncertainty in the shipment of goods via road is complete, because highway vandals are looting on roads in border areas and inland, who seize not only goods but the vehicles by which they are being transported. Railroad workers are again transporting cargo along mined rails!

This chaotic situation in today's economy is resulting in increasingly slower production activities. According to the most recent indicators, the drop in production in September amounted to 30 percent compared to the same month last year and still worse figures are expected by the end of the year, because stocks of raw materials and production materials are decreasing rapidly, and more and more enterprises are working at a critical minimum. Foreign exchange is disappearing even with large exporters, because there are almost no exports so there are no revenues from the foreign market. Therefore, the government of Bosnia-Hercegovina is appealing to all exporters to bring revenues from exports into the country as soon as possible and to sell them through the banks to the enterprises that need them the most. At the same time the government of Bosnia-Hercegovina is announcing the formation of a foreign exchange market in Bosnia-Hercegovina on which the foreign exchange rate would be determined according to the market, and not according to the official rate of exchange.

If anything would help in providing an escape from financial collapse, it is difficult to say. The fact is that the economy of Bosnia-Hercegovina has large sums in question, but unsettled debts and uncovered losses too. Comparing the first half of 1991 with that of 1990, the sums in question amount to about 20 billion dinars. A worse financial picture is painted by the increasing delays in payment of personal incomes and the increasing number of such payments in minimal amounts.

The interruption in trade with Slovenia and Croatia has had a particularly severe impact on the economy of Bosnia-Hercegovina. The majority of Slovene firms in Bosnia-Hercegovina (whether factories or only representative offices) want to continue their dealings within the framework of previous relations, although at the cost of introducing customs duties. The problem that is now emerging is how and in which currency to calculate transactions completed after the secession of Slovenia from Yugoslavia. Dilemmas are developing not only in this area, but also in other aspects of cooperation with Slovenia, as well as with Croatia.

The closing of borders with Bosnia-Hercegovina by other republics, if not yet officially carried out, can be expected soon. According to information about which the Economic Chamber of Bosnia-Hercegovina is being warned, Slovenia is collecting 1 percent for the import of goods from other parts of the country, including Bosnia-Hercegovina. If these goods are arriving from another country, the Slovenes collect another 1 percent. And the same percentage is collected for goods imported from Slovenia, at which time a deposit or a guarantee of a Slovene firm is sought for the goods.

The exchange of goods from Bosnia-Hercegovina with Croatia in the method used up to now has also become more difficult. However, for the import of goods through this republic, it is worthwhile deciding on one of the customs checkpoints in Bosnia-Hercegovina, Serbia, or Montenegro, so that customs duties are not paid double, since the Federal Customs Service does not recognize the payment of customs duties on goods in Croatia or Slovenia. However, such a method for payment of customs duties is not always possible, so costs are then far higher. The government of Bosnia-Hercegovina is emphasizing that everything is being done to resolve current problems, but it is difficult to carry out any necessary measures in this type of situation. The reason is that the local economy is paying the bill for others' accounts. To change the direction of prevailing trends is impossible, but businessmen indicate that it is nevertheless possible to take a series of steps in connection with the lifting of the blockade and assuring the functioning of transportation, as well as the supply of raw materials. In the kind of situation like the current one, it seems most fitting to work out and implement a plan for stocks of necessary food staples, but also to assure sufficient food reserves. Conditions in the country and the Republic make this necessary, because the question is not just how enterprises will survive, but a large number of people too.

Zenica: In a State of Readiness

Smelting of iron has again halted completely. This happened for the first time in July of this year. Three blast furnaces were put out of operation at the end of last year and the beginning of this year; the fourth and largest worked at an average of 40 percent of capacity until it too was placed, as metallurgists say, in a state of readiness on 17 October, not producing anything.

Zenica metallurgists have severe problems which will most probably result in the complete shutdown not only of the operational system but also of production. Deliveries of gas have been stopped because of lack of payments, and placing the fourth furnace in a "state of readiness" is a direct consequence of the blockade of the docks at Ploce, and the ship with the coal for coking waits across the way—in Bari. During the past two years, the Zenica metallurgical complex has reduced the number of its employees by 3,800, but the technological surplus is still too high by about 10,000 workers. At the beginning of August, Zenica had contracts for three months of shipments worth 176 million dollars, of which exports accounted for 48 million dollars. Fulfilling the contracts is, however, under a big question mark. On the one hand, the problem is how to assure production; on the other, how to deliver the goods. In the center of Bosnia, as well as in the center of Yugoslavia, the Zenica foundry is literally blockaded. Neither can raw materials be delivered nor can finished goods be shipped.

The director of the blast furnaces in the Zenica Foundry, Sulejman Muhamedagic, has stated: "If the coal for coking that is now aboard ship arrives, we could hold out through November on the blast furnace. But what will happen in December and the first two months of next year—no one knows that any more." One of the possibilities, which is increasingly closer to realization, is: the complete emptying of the furnaces and waiting for better times. However, this means the sacrifice of the expensive fireproof facility built last year.

But it is worthwhile to ask the question what the cooling down of the Zenica plants would mean for the rest of Yugoslavia. Specifically, a complete shutdown of the blast furnaces in Zenica assumes first turning off the coke batteries in Lukavac. This would mean stopping deliveries of coke to Smederevo, Zletovo, Bor, Trepca, Skoplje. Or the Vojvodina sugar refineries in Serbia. And a campaign for processing 5 million tons of sugar beets is now imminent in Serbia. It is estimated that the harvest is just at that level. European diplomacy, which is attempting to find a solution for the Yugoslav war, can most probably find a clear message in all this. It is that, where foreign economic blockades are concerned, they are simply not necessary in view of the self-imposed blockades that have already been set up on Yugoslav territory.

Montenegro

Impact of Economic Sanctions on Republic Viewed

92BA0170C Titograd POBJEDA in Serbo-Croatian
18 Nov 91 pp 1, 3

[Article by M. Jocic based on interview with Montenegro Prime Minister Milo Djukanovic; place and date not given: "A Blow to Competitiveness"]

[Text] Titograd, 17 Nov—We will feel the effects of the measures of the Economic Community in the industrial sector, especially in the large enterprises that are important exporters, and in enterprises in the textile and woodworking industries, said Milo Djukanovic, speaking about the most important effects of the announced measures of the EC. According to him, the negative impact comes in the sector of imports and exports of services. It is a particular surprise that similar sanctions have been announced by countries that do not belong to the Economic Community—the United States of America, Austria, Japan, Canada, Switzerland, and certain others.

America has even announced it is taking most-favored-nation status from Yugoslavia. The government of Montenegro has already prepared certain programs that would moderate the adverse effects of the economic sanctions. We plan to step up cooperation with Russia. We also plan to establish direct relations with the Republic of South Africa, Australia, Iran, South Korea, and Taiwan in order to obtain purchases of strategically important raw materials.

Milo Djukanovic, Montenegrin prime minister, offered an assessment of the effects of the economic sanctions of the European Economic Community on Montenegro's economic life. He recalled that the measures were adopted on 8 November, that they were supported by the United States, and that they take effect upon publication in the official gazette of the European Community.

Sanctions against Yugoslavia have also been announced by other countries that do not belong to the Economic Community—Japan, Canada, Switzerland, Austria, and certain other countries. Early assessments indicate that the sanctions announced will have an adverse effect on the economy of Montenegro, above all in view of its high dependence on imports, its high level of foreign debt, and especially the fact that these particular countries are important trading partners in Montenegro's economic cooperation with foreign countries. The figures of the Federal Bureau for Statistics and the National Bank of Montenegro indicate that in the first nine months of 1991 Montenegro's economy had exports of $124.9 million, which is approximately 29 percent less than in the comparable period of last year. Within those exports, the region of the European Community, and then the countries of EFTA and other advanced countries of the West accounted for $96.3 million, which is 77 percent of Montenegro's total exports. On the import side, the results for the first nine months of this year were $143.5 million, which is approximately 5 percent less than the comparable period of last year. Within that figure, $118 million were imported from the advanced countries of the West, or 82 percent of total imports.

Imports More Expensive

In the structure of visible trade, the principal exporters in the republic's economy are enterprises in the industrial sector; industry accounts for about 90 percent of total visible exports. The main exporters are the Aluminum Combine, the Niksic Metal and Metallurgical Combine, "Obod," "Radoje Dakic," some small textile and woodworking plants, and the leather and footwear industry. The Aluminum Combine, alone, for example, sent 97 percent of its exports in the first nine months to the market of the advanced countries of the West. Imports of production supplies and spare parts to meet the needs of the economy certainly represent the most important condition for development and reproduction. The most important importers of goods are precisely those enterprises engaged in exporting. Those enterprises have a very high percentage of dependence on imports. For example, 80 percent of the exports from "Obod" are tied to imports, in the case of the Metal and Metallurgical Combine it is about 50 percent, for textile producers between 14 and 67 percent, for "Radoje Dakic" between 20 and 40 percent.

The sanctions of the European Community will result in suspension of preferential arrangements which Yugoslavia enjoyed up to now. That means that imports are considerably more expensive, and beyond that, given the kind of dependence of exports on imports, it means that the overall competitiveness of Montenegro's export economy is diminished.

In the service sector, the inflow of foreign exchange in the first nine months of this year amounts to $70 million, approximately $6.3 million of which come from tourism and $60 million from transportation. As far as transportation is concerned, this inflow pertains almost entirely to services in maritime transportation. However, we do at the same time have an outflow of foreign exchange on the basis of imports of services in the amount of $54 million, in which tourism has a share of $14 million. This invisible sector is very important in the structure of arrangements with foreign countries in view of the fact that in the first nine months of this year it had a share of about 30 percent in Montenegro's total inflow of foreign exchange. The economic sanctions which have been announced will also have adverse effects on the invisible sector, especially in the case of maritime shipping and shipbuilding services from the standpoint of obtaining spare parts and raw materials for maintaining existing plant and equipment.

The third line in the effect of the economic sanctions on Montenegro is represented by current credit relations. As of 31 July 1991, Montenegro's debt amounted to $652.2 million. Within that figure, the convertible foreign exchange area accounted for $500.6 million, or 89.1 percent. Most of that debt pertains to enterprises which are at the same time the most important exporters from Montenegro. The impossibility of refinancing that debt, while existing financial arrangements are frozen, will worsen the already problematical financial situation in Montenegro. Restrictive conditions in setting deadlines for payment of foreign obligations could in the most unfavorable variant result in collection of the foreign debt through seizure of the property of our enterprises abroad. The freezing of the Italian loan which had already been approved as part of a memorandum on agreement to carry out projects in fishing, PTT [Post, Telegraph, Telephone], transportation, and regional water supply is especially adverse in this sector.

The Decline of Production

It might be said, then, that the possible suspension of the arrangements signed between Yugoslavia and the European Community, in view of the importance of the European Community as a partner of Montenegro in our visible trade, in which these countries represent about 80 percent, has brought about a significant decline of production and income based on exports. Estimates indicate that the decline in the competitive price of export goods has been felt to a level of approximately 15 percent. The adverse effects would certainly follow in the sector of export services, because it would be natural to anticipate a further drop in the sector of foreign tourism. The announcement of economic sanctions to be applied by other countries, countries which are not members of the Economic Community, is particularly unfavorable. America, that is, has announced removal of Yugoslavia's status as a most favored nation, which means introduction of higher taxes, fees, and duty and other import charges in visible trade with Yugoslavia. This could particularly hurt Montenegro's maritime shipping, it has been announced that our ships will not be allowed to call at American ports. Which is not to mention the announced blockade of delivery of petroleum to Yugoslavia when we realize that approximately 500,000 tons of petroleum are imported into Montenegro annually.

What then, does the government of Montenegro intend to do to mitigate the adverse effects of the economic sanctions which the European Community intends to undertake against Yugoslavia? We feel that we must intensify cooperation with Russia through a joint Montenegrin-Russian commission and by establishing and reestablishing direct bilateral payments arrangements, especially concerning trade in petroleum and petroleum products. If it is not possible to obtain petroleum products directly from Russia, then we need to purchase crude petroleum through those arrangements with Russia and refine that petroleum in refineries in Romania and Greece. Second, it seems important to us to establish direct relations with the Republic of South Africa, whence it is possible to compensate or substitute imports of spare parts and certain raw materials, for instance, wool, leather, and other raw materials necessary for industrial enterprises in Montenegro. Third, it seems important to us to try, as we indicated after the recent talks with the ambassador of Iran in Yugoslavia, to establish ties with that state by establishing Iranian-Montenegrin joint ventures and opening a trade mission in Iran. Fourth, we need to continue talks with South Korea and Taiwan and prepare a commodity list for trade with those countries. And fifth, it seems important to me in the context of the overall foreign policy being conducted by Yugoslavia and by Montenegro in particular, to work to obtain an ambassadorial post in Australia, because Australia is a rather abundant market for purchasing certain raw materials which will now have to be substituted. I am speaking of leather, wool, alumina, and, in addition, Australia is a country that, at least for now, does not officially intend to adopt the sanctions of the European Economic Community, Milo Djukanovic said in conclusion.

Hoarding?

In answer to the question of whether it is necessary for households to build up food supplies, the prime minister replied:

"According to our present assessments, there ought not to be major economic consequences from application of the measures of the Economic Community for the supply of foodstuffs to the population. That is, Montenegro is not among the regions with high dependence on imported food. What is more, we still possess sizable stocks, so that in the immediate future there ought not to be shortages of these articles on the market in Montenegro."

Macedonia

Government Supports U.S. Statement on Borders

LD0612191391 Belgrade TANJUG in English 1233 GMT 6 Dec 91

[Text] Skopje, Dec 6 (TANJUG)—Foreign minister of the Yugoslav Republic of Macedonia Denko Maleski assessed today that to recognize Yugoslav republics "one by one" was not a way to resolve the Yugoslav crisis.

Macedonia therefore agrees with the United States' official view supporting the principle of not changing internal and external borders by force, Maleski said in his talk with journalists in Skopje today.

Maleski said that the Macedonian Government was satisfied with the statement made by State Department spokesman on the principles for the resolution of the Yugoslav crisis and expressed hope that this U.S. stand would effectively influence the further work of The Hague conference on Yugoslavia.

Commenting the recent violations of Macedonian air space by Greek planes, Maleski recalled that he sent a protest to the Greek Consul in Skopje but that the official Greek authorities have not replied yet. This and similar problems cannot be resolved until Macedonia and Greece sit at the table for official negotiations, Maleski said.